



**Care New England Health System  
Quarterly Reporting Package  
September 30, 2018**

**FOURTH QUARTER 2018**

**Table of Contents**

Quarterly Highlights and Results

Quarterly Memorandum

Tab 1:	Financial Highlights – September 2018
Tab 2:	Balance Sheet & Cash Flows – Consolidated & Obligated Group
Tab 3:	Income Statement -- Quarter over Quarter Comparison -- September 2018 Obligated Group & Consolidated
Tab 4:	Key Budget Assumption Review
Tab 5:	Efficiency Metrics
Tab 6:	Shared Savings & At-Risk Arrangements
Tab 7:	Revenue Cycle Report & Payor Mix
Tab 8:	Consolidated & Obligated Group Ratios
Tab 9:	Debt Compliance Obligated Group & Supplemental Reporting Information
Tab 10:	Patient Statistics
Tab 11:	Capital Report



**Care New England Health System  
Quarterly Financial Report  
Fourth Quarter, Fiscal Year 2018**

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**HIGHLIGHTS AND RESULTS**

**Highlights:**

- The Obligated Group finished the 2018 FY with a \$6.6 million gain from operations.
- Operational improvement initiatives at Care New England continue to positively impact quality, access, and financial performance across all operating units resulting in nine consecutive months (for the Obligated Group) of positive gains from operations totaling \$15.3 million.
- Butler Hospital, Kent Hospital, Women & Infants Hospital, and the VNA are all profitable from operations in FY2018.
- On May 23, 2018, the Definitive Agreement formalizing the acquisition of Care New England by Partners HealthCare was executed by both organizations. The organizations are in the process of preparing the regulatory filings necessary to obtain the required state (both Massachusetts and Rhode Island) and federal regulatory approvals.

**Results:**

- For the fourth quarter, the Obligated Group (all CNE entities except Memorial and its affiliates) achieved a positive \$6.3 million gain from operations. CNE as a whole recorded a positive gain from operations of \$13.0 million for the fourth quarter.
- Operational improvement initiatives have driven \$7.0 million of financial improvement in the fourth quarter for the Obligated Group versus the same quarter last year. The overall consolidated financial improvement (including the Memorial Hospital wind-down) for the fourth quarter was \$13.7 million better than the same quarter last year.
- During FY2018, the Obligated Group has improved gains from operations every quarter as follows: Q1-\$8.7 million loss, Q2-\$4.4 million gain, Q3-\$4.6 million gain, and Q4-\$6.3 million gain.
- Care New England (including Memorial Hospital) ended the year with a loss from operations of \$26.9 million which includes the Memorial loss of \$41.9 million accounting for more than 100% of the total loss from operations.

# **Care New England Health System Quarterly Memorandum Fourth Quarter, Fiscal Year 2018**

## **Introduction and Overview**

Enclosed is the unaudited consolidated financial information for Care New England Health System (the “System”) for the fourth quarter FY2018. Significant intercompany related transactions have been eliminated for this presentation. Unless otherwise noted, the entities included in these Consolidated reports are:

Care New England Corporate  
Integra Community Care Network, LLC  
Butler Hospital and related Affiliates  
Kent Hospital and related Affiliates  
Women & Infants Corporation and related Affiliates  
VNA of Care New England and related Affiliates  
Southeastern Healthcare System and related Affiliates (also referred to as “SHS”)  
The Providence Center, Inc. and related Affiliates (also referred to as “TPC”)

The entities included in the Obligated Group reports include all the entities noted above with the exception of Memorial Hospital and related Affiliates (withdrew from Obligated Group on December 22, 2017).

To highlight the System’s physician activities, the financial results of Care New England Medical Group (“CNEMG”) are separately reported in the supplemental consolidating information in both the statement of unrestricted activities and the balance sheet. CNEMG is a subsidiary of Kent Hospital.

## **Memorial Update**

In October of 2017 the Boards of Memorial Hospital, its parent corporation, Southeastern Healthcare System, Inc. and Care New England voted to discontinue the operations of Memorial as a licensed hospital. On November 2, 2017, Memorial filed with the Rhode Island Department of Health (RIDOH), a request for approval to cease operations as a licensed hospital and eliminate inpatient and emergency services. On November 9, 2017, the RIDOH deemed the application complete. On December 1, 2017, Memorial Hospital, with the approval of the Rhode Island Department of Health, closed both inpatient and surgical services. Emergency services were closed on January 1, 2018. On May 1, 2018, the Rhode Island Department of Health formally approved the Memorial Hospital closure.

On December 21, 2017, the Boards of Directors (the “Boards”) of Care New England Health System, Butler Hospital, Kent County Memorial Hospital, Kent County Visiting Nurse Association, Southeastern Healthcare System, Inc., The Memorial Hospital, The Providence Center, Inc., Women and Infants Corporation and Women and Infants Hospital of Rhode Island (collectively, the “Obligated Group”), who are parties to a Master Trust Indenture dated as of September 1, 2016, determined that Memorial withdraw from the Obligated Group. On December 22, 2017, the Master Trustee approved the release of Memorial from the Obligated Group. The enclosed financial statements show both the Consolidated and Obligated Group versions of the balance sheet, statement of unrestricted activities, and financial ratio key indicators in the dashboard. In addition, the activities of Memorial are separately reported in the supplemental consolidating information for both the statement of unrestricted activities and the balance sheet. Included in **Exhibit A** of this quarterly financial report, is an organizational chart further detailing Obligated Group members as of December 22, 2017.

On July 1, 2018, the sole member of Blackstone Health, Inc. was changed from Southeastern Healthcare System, Inc. to Kent County Visiting Nurse Association d/b/a VNA of Care New England.

Due to the closure of Memorial Hospital, Memorial's financial statements include a loss on asset impairment and also include restructuring activities related to its exit costs. Further details are included in the **Management Discussion** section below.

### **Management Discussion**

The successful implementation of growth initiatives and cost management has been very effective. Action plan tracking, daily productivity monitoring, and revenue cycle improvements are making an impact on performance. Management plans to continue to implement more initiatives targeting growth, leakage, access, cost savings, and retention to stabilize and grow patient activity levels and operating losses. CNE Management and the operating units participate in weekly operational reviews to monitor, update, and execute action plans.

Operating results by quarter in FY2017 and FY2018 for the System were as follows:

Operating Results by Quarter (in millions)										
Care New England - Consolidated										
	FY2017					FY2018				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Revenue	\$ 274.5	\$ 274.8	\$ 283.5	\$ 299.8	\$ 1,132.6	\$ 278.2	\$ 271.6	\$ 278.8	\$ 302.6	\$ 1,131.2
Expenses:										
Loss on asset impairment - Memorial Hospital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22.4	\$ (0.2)	\$ 0.1	\$ 0.3	\$ 22.6
Restructuring costs - Memorial Hospital	\$ -	\$ 0.2	\$ 0.1	\$ 1.7	\$ 2.0	\$ 2.6	\$ 5.1	\$ 0.6	\$ (1.1)	\$ 7.2
Expenses - all other	\$ 288.4	\$ 300.6	\$ 289.9	\$ 298.8	\$ 1,177.7	\$ 286.9	\$ 273.7	\$ 277.3	\$ 290.4	\$ 1,128.3
Total expenses	\$ 288.4	\$ 300.8	\$ 290.0	\$ 300.5	\$ 1,179.7	\$ 311.9	\$ 278.6	\$ 278.0	\$ 289.6	\$ 1,158.1
Income (loss) from operations	\$ (13.9)	\$ (26.0)	\$ (6.5)	\$ (0.7)	\$ (47.1)	\$ (33.7)	\$ (7.0)	\$ 0.8	\$ 13.0	\$ (26.9)
Income (loss) from operations - Memorial	\$ (5.9)	\$ (6.0)	\$ (4.4)	\$ (5.1)	\$ (21.4)	\$ (33.9)	\$ (12.3)	\$ (3.7)	\$ 8.0	\$ (41.9)

Operating results by quarter in FY2017 and FY2018 for the Obligated Group were as follows:

Operating Results by Quarter (in millions)										
Care New England - Consolidated						Obligated Group <sup>1</sup>				
	FY2017					FY2018				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Revenue	\$ 274.5	\$ 274.8	\$ 283.5	\$ 299.8	\$ 1,132.6	\$ 277.5	\$ 271.9	\$ 279.1	\$ 292.4	\$ 1,120.9
Expenses:										
Loss on asset impairment - Memorial Hospital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restructuring costs - Memorial Hospital	\$ -	\$ 0.2	\$ 0.1	\$ 1.7	\$ 2.0	\$ 1.6	\$ -	\$ -	\$ (0.4)	\$ 1.2
Expenses - all other	\$ 288.4	\$ 300.6	\$ 289.9	\$ 298.8	\$ 1,177.7	\$ 284.6	\$ 267.5	\$ 274.5	\$ 286.5	\$ 1,113.1
Total expenses	\$ 288.4	\$ 300.8	\$ 290.0	\$ 300.5	\$ 1,179.7	\$ 286.2	\$ 267.5	\$ 274.5	\$ 286.1	\$ 1,114.3
Income (loss) from operations	\$ (13.9)	\$ (26.0)	\$ (6.5)	\$ (0.7)	\$ (47.1)	\$ (8.7)	\$ 4.4	\$ 4.6	\$ 6.3	\$ 6.6
Loss from operations - Memorial	\$ (5.9)	\$ (6.0)	\$ (4.4)	\$ (5.1)	\$ (21.4)	\$ (8.5)	\$ -	\$ -	\$ -	\$ (8.5)

<sup>1</sup> Obligated Group (excluding Memorial) effective December 22, 2017

During the fourth quarter, the Obligated Group posted a \$6.3 million gain from operations versus a \$708,593 loss for the same quarter last year. The Obligated Group has recorded nine consecutive positive months.

The Obligated Group had net income from operations of \$6.6 million in FY2018, an improvement of \$53.7 million over the year-to-date September 30, 2017 loss of \$47.1 million.

Memorial Hospital and affiliates were released from the Obligated Group on December 22, 2017. Memorial lost \$8.5 million prior to being released. The improved performance is primarily due to the implementation of the action plans that have significantly impacted volumes, retention rates, and expense management.



**The three CNE hospitals have made significant financial improvements in FY2018.**

	<u><b>FY2018</b></u>	<u><b>FY2017</b></u>	<u><b>Improvement</b></u>
<b>Butler Hospital:</b>	<b>\$49,968</b>	<b>\$(2.8) million</b>	<b>\$ 2.8 million</b>
<b>Women &amp; Infants Hospital:</b>	<b>\$15.2 million</b>	<b>\$(4.6) million</b>	<b>\$19.8 million</b>
<b>Kent Hospital:</b>	<b>\$9.2 million</b>	<b>\$(3.8) million</b>	<b>\$13.0 million</b>

Total revenue ended the year at \$1.1 billion and is approximately \$11.8 million less than last year. However, when adjusting for the Memorial closure (FY 2017 revenue was \$115.1 million and decreased to \$19.3 million in FY 2018), the Obligated Group revenue is up \$84.1million or 8.3%. The following Patient Activity numbers exclude Memorial. Medical/surgical discharges were 300 (2.4%) ahead of budget and 679 (5.6%) ahead of last year. Obstetrics discharges were 152 (1.5%) ahead of budget and 68 (.7%) ahead of last year. Deliveries finished 120 (1.3%) ahead of budget and 17 (.2%) ahead of last year. NICU discharges were 59 (5.7%) ahead of budget and 32 (3.0%) ahead of last year. NICU days ended 2.2% ahead of budget and 3.9% ahead of last year. Emergency visits, observation cases, operating room cases, CT scan, cath lab, partial hospital, speech therapy, physical therapy, laboratory testing, infusion, MRI, diagnostic imaging, ECT, mammography, cardiac testing, patient assessment, and some other services are all trending up from prior year on the outpatient side. At 4.6, overall length of stay was on budget and below the prior year length of stay of 4.7. Operating expenses through the month of September were substantially better than budget.

CNE recorded an additional \$3.0 million in prior period revenue gains pertaining to the Blue Cross contract renewal and various NHP and Medicare settlements related to aged receivables and older cost reporting years. CNE benefited by \$4.6 million in prior period settlements for the year. These positive revenue gains were offset by restructuring costs, merger expenses and settlements in operations.

Operating results were positively impacted by Indemnity operations. Total Indemnity operating income of \$288,133 was \$1.0 million favorable to budget. Results by Indemnity program were mixed; actual underwriting experience versus expected actuarial losses was favorable at W&I Indemnity, but was unfavorable at Toll Gate Indemnity in FY2018.

Total expenses for the Obligated Group were \$7.7 million or .7% lower than budget primarily due to labor management, favorable medical supplies and drugs variance, and favorable self-insurance underwriting experience.

The Obligated Group reported a favorable expense variance in salaries of \$4.4 million or .9%, primarily attributable to labor management. Management of vacancies and focused improvements in labor productivity continue to have a positive impact on the operating units. Labor productivity is monitored daily at each of the operating units and at CNE. FTEs per Adjusted Occupied Bed are favorable to budget by .6% at Butler, 1.9% at Kent and 9.7% at Women & Infants in FY2018. Fringe benefits expense is favorable to budget by \$1.5 million or 1.0%, primarily within FICA, unemployment and pension expense. Insurance expense was under budget by \$2.6 million or 8.0% due to the favorable underwriting experience at W&I Indemnity. Medical supplies and drugs were under budget by \$6.7 million or 6.3%. Actual expense, as a percentage of gross patient revenue, is lower than budget. Other expenses were over budget by \$9 million or 4.8% primarily due to distributions made under Integra shared savings arrangements, SNE practice expenses, and elimination entries. In FY2018, cost per adjusted discharge is unfavorable to budget by 11.8% at Butler, but is favorable to budget at Kent by 10.4% and at Women & Infants by 4.3%, and cost per adjusted day is unfavorable to budget by .3% at Butler, and favorable to budget by 1.6% at Kent and 4.5% at Women & Infants.

Non-operating losses include a \$31.1 million pension settlement and included within other changes in unrestricted net assets is a \$38.2 million pension adjustment. As a result of recent accounting rule changes which CNE adopted for fiscal year ending September 30, 2018 that eliminates the impact to operating results for pension costs and settlement accounting for pension plans, CNE implemented additional de-risking strategies for the two (CNE and MHRI) defined benefit pension plans. For a detailed explanation, see Page 12.

The Obligated Group's other changes in unrestricted net assets include a \$70.1 million **Transfer** to Memorial. Effective January 1, 2018, the sponsorship of Memorial's Defined Benefit Pension Plan and Memorial's Defined Contribution Plan transferred to CNE, resulting in an increase to the Obligated Group's **Net Pension Liability** and a decrease to the Obligated Group's **Net Assets** by \$70.1 million.

Other changes in unrestricted net assets include a \$135.8 million **Transfer of Net Assets** on December 22, 2017 to remove Memorial Hospital from the Obligated Group.

The consolidated net loss from operations was \$26.9 million in FY2018 versus the budgeted loss of \$54.1 million and the FY2017 loss of \$47.1 million. Memorial Hospital's loss of \$41.9 million accounted for more than 100% of the total loss.

The System's net loss from operations includes an impairment loss on Memorial's assets of \$22.6 million. Memorial discontinued its inpatient admissions and closed surgical services, effective December 1, 2017, and closed its hospital emergency department, effective January 1, 2018. With the closure of hospital services, an impairment loss was recognized equal to the excess of carrying value over the estimated fair value of Memorial's assets. In addition, \$7.2 million in restructuring costs related to the closure of Memorial were recorded in FY2018. These costs primarily include salaries and benefits related to the WARN Act (Worker Adjustment and Retraining Notification is a layoff notice law requiring employers to give employees notification before mass layoffs or plant closings) and other exit costs such as legal, public relations and purchased services.

The System's cash position is a primary focus of management; overall days cash on hand were 44.2 days, compared to 43.7 at September 30, 2017 and 45.5 days at June 30, 2018. The System's average payment period was 51.9 days, compared to 54.5 days at September 30, 2017 and 62.7 days at June 30, 2018. The System's days in gross accounts receivable were 45 at September 30, 2018, compared to 48 at September 30, 2017 and 47 at June 30, 2018.

The System is closely monitoring capital expenditures through its executive capital committee. All capital expenditures must be approved by this committee and such expenditures are limited to critical and strategic items. The capital expenditure ratio in FY2018 was 59.7% for the System and 60.4% for the Obligated Group. Included in **Tab 11** is a report that provides further details in regards to capital expenditures.

The greatest challenges affecting CNE's financial performance in FY2019 are patient volumes; specifically, medical/surgical, obstetric, deliveries, and NICU volume. However, actions plans are stabilizing and growing these patient activity trends as well as the alignment of staffing to the volume levels. FY2018 has shown positive results in these areas.

### **Strategic Initiatives**

In April 2017, Care New England Board of Directors voted to pursue an acquisition by Partners HealthCare of Massachusetts ("Partners"), signing a letter of intent ("LOI") and agreeing to negotiate exclusively with Partners. The LOI sets forth a process to negotiate a transaction pursuant to which CNE will be acquired by Partners. In May 2018, Partners and CNE signed the definitive agreement

formalizing Partner's planned acquisition of CNE. The organizations are in the process of preparing the regulatory filings necessary to obtain the required state (both Massachusetts and Rhode Island) and federal regulatory approvals.

Comments on the various sections of the quarterly report follow. *If you are limited as to the time available to review this package of materials, it is recommended that you review the Care New England Financial Highlights, Tab 1, the financial statements, Tabs 2 and 3, as well as the Key Budget Assumption updates under Tab 4. By reviewing these updates during the year, readers should get a reasonable assessment of how the year unfolded financially.*

#### **Care New England Financial Highlights (Tab 1)**

This section summarizes the results of the System's financial highlights including operating gain (loss) for the System and by operating unit, key indicators, and key volume statistics for the month and year to date September 30, 2018. This section also summarizes the status of key quality objectives.

#### **Combined Balance Sheet as of September 30, 2018 Compared to the Combined Balance Sheet as of June 30, 2018 and as of September 30, 2017 (Tab 2)**

***NOTE: Tab 2 includes both the Consolidated and Obligated Group versions of the balance sheet. The comments below refer to the Consolidated balance sheet.***

As of September 30, 2018, the System had \$47.4 million in **Cash and Cash Equivalents** compared to \$54.5 million at September 30, 2017 and \$53.4 million at June 30, 2018. In addition to active management of the System's cash position, significant cash transactions include the funding of pension, workers compensation and vacation/sick buyouts, partially offset by the receipt of a \$10.0 million dividend from W&I Indemnity.

**Patient Accounts Receivables** were \$4.3 million lower than the prior year (including the \$13.9 million of reduction due to Memorial Hospital closing), while Days in Gross Accounts Receivable were at 45 days, 3 days lower than at year-end September 30, 2017. At Butler, additional internal resources were dedicated to working the Butler receivable, which clearly helped improve collections. The new volume generated from various action plans at Kent was a major reason for stronger cash. Kent AR days decreased by 3 days to 40 days compared to the prior year due to a myriad of specific projects focused on aged receivable. Women and Infants' AR days were consistent between quarters, but are two days lower than last year at 48 days. Cash collections continued to be impressive in the fourth quarter. Self-pay cash payments continue to exceed prior year because of several outsourcing initiatives. Lastly, credit balances decreased by \$2.2M to an all-time low of \$2.5M. Included in **Tab 7** are various reports that provide further details about Patient Accounts Receivables.

The **Allowance for Estimated Uncollectible Accounts** as a percentage of patient accounts receivables was 26.3% at September 30, 2018, a decrease of 2.6% from September 30, 2017. The allowance for uncollectible accounts trended lower throughout the year as automated processes and new billing procedures have worked to accelerate payments. The allowance for estimated uncollectible accounts as a percentage of patient accounts receivables was 28.9% at September 30, 2017.

**Other Receivables** include grants receivable, Disproportionate Share (DSH) receivables and Upper Payment Limit (UPL) monies, indemnity programs' premiums receivable, third party receivables, and other miscellaneous receivables. The increase of \$7.0 million or 31.1% since September 30, 2017 related

primarily to the timing of receipts; most notably the accrual of Integra shared savings incentives and an increase in grants receivable. The decrease of \$27.8 million or 48.3% since June 30, 2018 related primarily to the receipt of the Disproportionate Share payment in July 2018, partially offset by an increase in Integra shared savings receivables and an increase in grants receivables.

**Assets Limited as to Use (Current Portion)** increased \$156,724 since September 30, 2017 and decreased \$3.5 million or 68.3% since June 30, 2018. The changes primarily relate to activity within debt service funds, specifically the timing of deposits to the funds and payments to bondholders. The annual principal payment related to the 2016B bonds (\$3,490,000 in FY2018) was made in September.

**Prepaid Expenses** increased \$2.4 million or 21.8% since September 30, 2017. The largest items included in Prepaid Expenses are insurance premiums, information systems contracts and vendor deposits. The increase is primarily due to deposits made in the second quarter of FY2018 to CNE's new employee health insurance administrator. Effective January 1, 2018, CNE changed its employee health insurance administrator.

**Assets Limited as to Use** increased \$7.9 million or 2.2% since September 30, 2017 and increased \$14.4 million or 4.1% since June 30, 2018. The components of the changes in the fourth quarter of FY2018 and since FY2017 were a net result of the following:

**Endowment Funds** increased by \$1.5 million or 2.1% since September 30, 2017 and increased \$302,040 or .4% since June 30, 2018, primarily reflecting the impact of the investment markets.

**Board Designated Funds** increased \$5.9 million or 5.0% since September 30, 2017 and increased \$2.8 million or 2.3% since June 30, 2018, primarily reflecting the impact of the investment markets.

**Self-Insurance Trust Funds** increased \$1.0 million or .6% since September 30, 2017 and increased \$15.7 million or 10.9% since June 30, 2018. The changes reflect the net of investment performance, contributions, dividends paid and settlement payments. The most notable factors in FY2018 are a \$10 million dividend payment to Women and Infants Hospital, and the payment of several case settlements. CNE and its operating units self-insure extensive amounts of risk due to either the unavailable or uneconomical coverage. We rely on sound funding practices and actuarial assessments to provide reasonable assurance of adequate reserves. Among the self-insured programs are:

*W&I Indemnity* (W&I hospital primary, W&I lead excess and re-insurance post 10/1/17, excess and physician malpractice & general liability)

*Toll Gate Indemnity* (Kent hospital primary, Kent lead excess and re-insurance post 10/1/17, Butler and TPC primary post 10/1/17, excess and physician malpractice & general liability, Butler and TPC physician primary post 10/1/17)

*W&I trust* (primary professional & general and malpractice tail exposures prior to 10/1/11)

*Butler trust* (primary professional & general liability)

*Memorial Hospital trust* (malpractice tail exposures prior to 7/1/04)

*Workers Compensation*

*Health Insurance*

*Dental Insurance*

*Unemployment Insurance*

**Trustee Held Funds** increased \$494,686 or 3.7% since September 30, 2017 and decreased \$4.5 million or 24.5% from June 30, 2018. The changes relate primarily to the timing of deposits to the funds and payments to bondholders.

**Net Property, Plant and Equipment** decreased by \$30.5 million or 10.8% since September 30, 2017 and increased \$6.3 million or 2.6% from June 30, 2018. As previously noted, an impairment loss of \$22.6 million was recorded at Memorial. In addition, during FY2018, depreciation expense exceeded capital investments. The System is closely monitoring capital expenditures through the executive capital committee. Included in **Tab 11** is a report that provides further details in regards to capital expenditures.

**Goodwill** of \$24,488,975 is attributable to the acquisition of SHS (\$24.3 million) in FY2013 and the acquisition of TPC (\$143,611) in FY2015. **Intangibles** of \$1,080,000 are attributable to the trade name valuation of the Providence Center. The goodwill and intangibles have an indefinite useful life; subject to annual evaluation for impairment.

**Insurance recoveries receivable** increased by \$3.8 million or 185.8% since September 30, 2017 and June 30, 2018 due to an increase in malpractice reserves as determined by our actuaries. An offsetting increase was recorded in self-insurance reserves.

**Notes Payable** of \$442,144 at September 30, 2017 is a result of a draw on the TPC line of credit. The TPC line of credit was terminated on August 28, 2018.

**Current Pension Payable** of \$18.9 million increased \$3.6 million or 23.2% since September 30, 2017 and increased \$3.9 million or 25.7% since June 30, 2018 which reflects the accrual of the funding for the annual defined contribution liability. The funding of the match component of the annual defined contribution liability was deferred until October 2018 resulting in an increase to the liability since September 2017. The defined contribution plan expense was ratably accrued throughout FY2018.

**Accounts Payable and Accrued Expenses** decreased \$14.2 million or 11.4% from September 30, 2017 and decreased \$28.6 million or 20.7% since June 30, 2018. The changes in these accounts are driven primarily by the timing of outflows for both vendor and employee payments. In addition, the June 30, 2018 balance includes the accrual of the licensure fee, the majority of which was paid in July.

**Deferred Revenue** increased \$3.1 million or 19.8% since September 30, 2017 and increased \$1.4 million or 7.7% since June 30, 2018. The change in deferred revenue relates to the timing of receipts including research clinical trials.

**Estimated Third Party Payor Settlements** (Current and Long-Term) increased by \$2.8 million or 11.2% since September 30, 2017. The increase is primarily due to Memorial Hospital and our decision to reserve a portion of the State DSH funding distributed earlier in the year.

The funded status of CNE's frozen defined benefit pension plans are reflected on its balance sheet and are adjusted annually during the year-end audit as part of the year-end actuarial evaluation of the pension plans. The **Net Pension Liability** of \$89.9 million reflects the under-funded status of the plans at September 30, 2018, a \$10.2 million improvement from September 30, 2017. CNE contributed \$8.325 million to the Plans in FY2018, including \$5.625 million to the Memorial Plan.

As a result of recent accounting rule changes that eliminate the impact to operating results for most pension costs and settlement accounting for pension plans, CNE implemented de-risking strategies for the two (CNE and MHRI) defined benefit pension plans. The first strategy included a voluntary lump sum offering to certain terminated participants and active employee participants working past age 65 in the

CNE Plan and the MHRI Plan. Benefits for individuals electing to receive lump sums were paid in fiscal 2018, requiring accelerated recognition of a portion of prior actuarial losses in fiscal 2018 expense. During fiscal 2018, lump sums of \$37.338 million (consisting of approximately \$28 million from the bulk lump sum offer, and approximately \$9 million from ongoing availability) were paid from the CNE Plan and lump sums of \$24.139 million were paid from the MHRI Plan. The second strategy was the election of contract discontinuance of the John Hancock annuity for the MHRI plan. As a result of the discontinuance, future capital calls for the plan are eliminated and a one-time market value true-up from John Hancock occurred. This event required accelerated recognition of prior actuarial losses in fiscal 2018 expense. As a result, the System recorded non-operating settlement charges of \$11.952 million for the CNE Plan lump sum offer and \$19.143 million for the MHRI Plan lump sum offer and group annuity contract discontinuance.

**Self- Insurance Reserves** (Current and Long-Term) increased by \$8.0 million or 5.3% since September 30, 2017 and increased \$12.1 million or 8.2% since June 30, 2018. The change in reserves relates to the current year activity for workers compensation, professional liability, health insurance and dental insurance; offset by actual claims and expenses paid.

**Total Long Term Debt, including current portion** decreased \$5.9 million or 3.3% since September 30, 2017 and decreased \$4.5 million or 2.5% since June 30, 2018. The change is due to payments made on CNE's debt during FY2018.

**Asset Retirement Obligation** increased by \$4.4 million or 228.9% since September 30, 2017 and increased \$4.3 million or 216.2% since June 30, 2018. In the fourth quarter of FY2018, \$4.334 million of retirement obligations was recorded at Memorial.

Total **Net Assets** of \$266.7 million at September 30, 2018 decreased \$4.1 million since September 30, 2017; inclusive of a decrease in unrestricted net assets of \$7.0 million, an increase of \$1.9 million in temporarily restricted net assets, and an increase of \$937,506 in permanently restricted net assets. The decrease in unrestricted net assets includes unfavorable operating results, and as previously reported, an unfavorable \$22.6 million loss on asset impairment at Memorial, and the actuarially determined pension adjustments including an unfavorable \$31.1 million pension settlement and a favorable \$38.2 million pension adjustment relating to the accumulated other comprehensive income (AOCI) adjustment.

**NOTE: The comments below refer to the Obligated Group balance sheet.**

**Due from Affiliates** in the Obligated Group balance sheet includes \$109.2 million due from Memorial for treasury cash/sweep activities. These amounts are eliminated in the Consolidated balance sheet. **Unrestricted Net Assets** in the Obligated Group balance sheet of \$278.6 million increased by \$90.9 million since September 30, 2017. Memorial's unrestricted net assets of \$(120) million are included in the September 30, 2017 Obligated Group balance sheet; Memorial's unrestricted net assets of \$(98) million are excluded from the September 30, 2018 Obligated Group balance sheet.

Effective January 1, 2018, the sponsorship of Memorial's Defined Benefit Pension Plan and Memorial's Defined Contribution Plan transferred to CNE, resulting in an increase to the Obligated Group's **Net Pension Liability** and a decrease to the Obligated Group's **Net Assets** by \$70.1 million. This transfer does not impact comparative balances, since the pension liability was included within Memorial's balance sheet at September 30, 2017.



**Combined Statement of Unrestricted Activities for the twelve Months Ended September 30, 2018  
Actual Compared to Budget and Compared to September 30, 2017 (Tab 3)**

***NOTE: Tab 3 includes both the Consolidated and Obligated Group versions of the statement of unrestricted activities. Unless otherwise noted, the comments below refer to the statement of unrestricted activities for the Obligated Group.***

**Budget variances and comparisons to prior year are distorted due to the closure of Memorial. The Memorial budget for the first quarter assumed a sale and not a closure.**

**Net Income from Operations** for Quarter 4 for the Obligated Group was \$6.3 million versus a \$708,593 loss the previous year.

**Net Income from Operations** of the Obligated Group was \$6.6 million for the twelve months ended September 30, 2018 compared to last year's loss of \$47.1 million, a favorable improvement of \$53.7 million.

Note the inclusion of a segment reporting schedule which breaks out the impact of Toll Gate and W&I Indemnity from consolidated operations. Total Indemnity operating income was \$1.0 million favorable to budget. Actual underwriting experience versus expected actuarial losses for the System was favorable to budget.

**Net Non-Operating Losses** of \$21.0 million were unfavorable to budget by \$44.3 million. Non-operating losses include the System's pension settlement of \$31.1 million. Investment earnings, realized and unrealized, were unfavorable to budget by \$11.5 million.

The **Deficiency of Revenues/Gains over Expenses/Losses** for the Obligated Group was \$14.3 million, which was unfavorable to budget by \$35.6 million.

**Net Patient Service Revenue** for the Obligated Group was \$1.5 million or .15% higher than budget for fiscal year 2018 and \$14.6 million or 1.5% lower than year-to-date September 30, 2017. For the year, all Kent inpatient service lines beat budget. Women & Infants, on the other hand, trended lower for the final quarter, and finished flat and behind prior year totals. In addition, mental health admissions at Butler were significantly lower year-over-year. Both Emergency room visits and surgeries fell short of budget, but finished ahead of prior year volumes by 1.5% and 6.5%, respectively. Most ancillary volume finished below budget, but services involving infusion therapies, inpatient cardiac catheterizations, outpatient endoscopies, mammographies and both inpatient and outpatient CT Scans all exceeded budget forecasts. Payer mix trends were consistent as the shift between United Healthcare and Blue Cross became permanent due to the Care New England coverage switch. Charity Care was slightly over budget for the quarter, but remained 18% lower than prior year levels (prior year and FY2018 through December 22, 2017 revenues and charity care include Memorial). **Tab 7** includes an analysis of Revenues and Deductions from Revenues. In addition, this tab provides further insights into the revenue cycle and an analysis of our accounts receivable and revenues.

**Research Revenue and Research Expenses** have partially offset one another as revenue favorable budget variances of \$1.4 million were offset by expense unfavorable budget variances of \$919,900.

**Other Revenue** was \$90.5 million in FY2018, which is \$2.3 million or 2.4% unfavorable to budget and \$1.7 million or 1.9% higher than the prior year. The decrease in other revenue compared to budget is due to SNE practice revenues and elimination entries (corresponding variance in other expense eliminations), partially offset by a favorable variance in revenues related to Integra shared savings and at-risk arrangements. The increase in other revenue over the prior year is due to revenues related to Integra shared savings and at-risk arrangements, SNE practice revenues, service grants, the T3 340B pharmacy initiative, and Indemnity premium income.

**Total Operating Expenses** of \$1.1 billion were \$7.7 million or .7% favorable to budget primarily due to labor management, favorable medical supplies and drugs variance, and favorable self-insurance underwriting experience.

Highlights of the line item components of operating expense variances were as follows:

**Salaries and Wages** were \$4.4 million or .9% favorable to budget. The favorable salary expense variance is primarily due to labor management. FTEs per adjusted occupied bed were favorable to budget by .6% at Butler, 1.9% at Kent and 9.7% at Women & Infants. The favorable variance in FTEs per adjusted occupied bed is primarily attributable to action plans and T3 initiatives; the management of vacancies and focused improvements in labor productivity and management. Labor productivity is monitored by pay period at each of the hospital operating units and at CNE. A series of efficiency metrics, to assist with the reporting of our performance, can be found in **Tab 5** of the package.

Salaries and wages were \$36.5 million or 6.6% less than the prior year. \$33.2 million of the decrease relates to Memorial.

**Fringe Benefits** were \$1.5 million or 1.0% favorable to budget. The favorable variance is primarily within FICA, unemployment and pension expense.

Fringe benefits were \$9.3 million or 5.6% less than the prior year. Memorial's fringe benefits decreased by \$12.2 million which was partially offset by an increase to the Obligated Group's health insurance costs.

**Insurances** were \$2.6 million or 8.0% favorable to budget and \$3.5 million or 13.2% higher than the prior year. Underwriting experience versus actual actuarial losses was favorable to budget, but higher than the prior year.

The decrease in Memorial's insurance expense from the prior year was \$1.4 million.

**Medical Supplies and Drugs** were \$6.7 million or 6.3% favorable to budget and \$5.4 million or 5.2% lower than the prior year. Variances in medical supplies and drugs are volume driven. Actual expense as a percentage of gross patient revenue is lower than budget and higher than prior year actual.

The reduction in Memorial's medical supplies and drugs from the prior year was \$13.1 million.

**Other Expenses** were \$9 million or 4.8% unfavorable to budget and \$339,365 million or .2% higher than the prior year. The unfavorable other expense budget variance is primarily due to distributions made under Integra shared savings arrangements, SNE practice expenses, and elimination entries (corresponding variance in other revenue eliminations).

The reduction in Memorial's other expenses from the prior year was \$13.2 million.

**Restructuring Costs** are \$73,333 in FY2018 and \$11.5 million in FY2017, primarily include severance costs related to restructuring activities and Huron consulting fees.

**Restructuring Costs – Memorial Hospital** of \$1.2 million relate to the closure of Memorial. These costs primarily include salaries and benefits related to the WARN Act (Worker Adjustment and Retraining Notification is a layoff notice law requiring employers to give employees notification before mass layoffs or plant closings) and other exit costs such as legal, public relations and purchased services.

The Obligated Group's non-operating losses include a \$31.1 million **Pension Settlement** and included within other changes in unrestricted net assets is a \$38.2 million **Pension Adjustment**. As a result of recent accounting rule changes that eliminate the impact to operating results for most pension costs and settlement accounting for pension plans, CNE implemented de-risking strategies for the two (CNE and MHRI) defined benefit pension plans. For details on the two strategies, refer to the Net Pension Liability section of **Page 9**.

The Obligated Group's other changes in unrestricted net assets include a \$70.1 million **Transfer** to Memorial. Effective January 1, 2018, the sponsorship of Memorial's Defined Benefit Pension Plan and Memorial's Defined Contribution Plan transferred to CNE, resulting in an increase to the Obligated Group's **Net Pension Liability** and a decrease to the Obligated Group's **Net Assets** by \$70.1 million.

Other changes in unrestricted net assets include a \$135.8 million **Transfer of Net Assets** on December 22, 2017 to remove Memorial Hospital from the Obligated Group.

**NOTE: The comments below refer to the Consolidated statement of unrestricted activities.**

The System finished FY2018 with an operating loss of \$26.9 million, which includes a \$41.9 million operating loss at Memorial Hospital. Memorial's financial statements include a loss on asset impairment and also include restructuring activities related to its exit costs.

**Loss on Asset Impairment – Memorial Hospital** is \$22.6 million in FY2018. With the closure of Memorial Hospital's inpatient and surgical services, an impairment loss was recognized equal to the excess of carrying value over the estimated fair value of Memorial's assets.

**Restructuring Costs – Memorial Hospital** of \$7.2 million (of which \$1.2 million was incurred by the Obligated Group) related to the closure of Memorial Hospital. These costs primarily include salaries and benefits related to the WARN Act (Worker Adjustment and Retraining Notification is a layoff notice law requiring employers to give employees notification before mass layoffs or plant closings) and other exit costs such as legal, public relations and purchased services.

#### **Update on 2018 Key Budget Assumptions (Tab 4)**

During the FY2018 budget process, certain areas required management to make material assumptions as to what would be encountered. These assumptions are tracked and reported upon routinely during the year. The Key Budget Assumptions that were identified for FY2018 were:

Patient Volumes  
Care Retention  
Financial Improvement Action Plans  
Population Health Management  
Memorial Hospital Closure Plan

#### **Efficiency Metrics (Tab 5)**

The System's efficiency metrics include paid and worked hours per adjusted discharge/day, FTEs per adjusted occupied bed, salary and total cost per FTE. In FY2018, cost per adjusted discharge is unfavorable to budget by 11.8% at Butler, but is favorable to budget at Kent by 10.4% and at Women & Infants by 4.3%, and cost per adjusted day is unfavorable to budget by .3% at Butler, and favorable to budget by 1.6% at Kent and 4.5% at Women & Infants. FTEs per Adjusted Occupied Bed are favorable to budget by .6% at Butler, 1.9% at Kent and 9.7% at Women and Infants. Kaufman Hall's productivity software is used to monitor labor productivity by pay period at each of the hospital operating units.

#### **Shared Savings and At Risk Arrangements (Tab 6)**

This section is used to report on the System's alternative payment arrangements; Blue Cross Blue Shield of RI Medicare Advantage, Medicare Next Generation ACO, and the CMS Heart Failure Bundle. As the System continues to be more extensively engaged in new payment models and more exposed to quality/value contracting, we will use this section to comment on our initiatives and performance. Please see the write-up under this tab for the progress report.

#### **Revenue Cycle Analyses (Tab 7)**

Accounts receivable remains the System's largest current asset. Patient receivables increased by \$3.3 million between quarters, but even at \$152 million, it remained over \$4.3 million lower than the prior year. This decrease was in large part attributed to the work-down of the Memorial AR and the clean-up of aged receivable at all operating units. The allowance for uncollectible accounts as a percentage of patient receivables decreased 2.6% since September 30, 2017. Schedules have been included in this tab reflecting revenue and accounts receivable, and other key information reported by the CNE Revenue Cycle department.

#### **Consolidated and Obligated Group Financial Statement Ratios (Tab 8)**

The financial ratios at September 30, 2018 show both the Consolidated and Obligated Group versions of the calculations.

Current and recent period financial ratios that measure the liquidity, profitability, and capital structure of the organization have been included in this tab. These ratios are important indications of the financial health of the organization and trends are thus important to note. Comparability with the ratios over the period of time presented is challenging with the addition of SHS to the System in FY2013 and TPC in FY2015, and the closure of Memorial in FY2018 (as previously noted, the exclusion of Memorial from the Obligated Group was effective December 22, 2017). Consistent with the audited financials of CNE, we have included the balance sheet of SHS as of September 30, 2013 and its stub period operating results, for the period from date of acquisition on September 3, 2013 through September 30, 2013. SHS financial statements are included in CNE's consolidated financials in FY2014 and forward. We have included the balance sheet of The Providence Center as of January 1, 2015 and the results of operations and changes in net assets from the date of acquisition through September 30, 2015, in CNE's consolidated FY2015

financial statements. The Providence Center's financial statements are also included in CNE's consolidated financials in FY2016 and forward. Liquidity ratios remain weaker than prior years, impacted by the SHS acquisition. Profitability ratios have declined since FY2013 and are unfavorable to S&P benchmarks. Capital structure ratios reflect the bond financings in September 2016.

In FY2019, it is anticipated that the intercompany borrowings between the Obligated Group and Memorial, will be forgiven by the Obligated Group. As a result, certain ratios (LT Debt to Equity and Debt/Capitalization) of the Obligated Group will be negatively impacted. Consolidated ratios will not be impacted. In addition, the Obligated Group's debt covenant ratios noted below will not be impacted.

#### **Debt Covenants Obligated Group (Tab 9)**

The Master Indenture for the RIHEBC Series 2016B bonds and the Series 2016C taxable notes contain financial covenants that had a delayed initial testing date. The financial debt covenants are as follows:

***Debt service coverage ratio:*** The System must maintain a debt service coverage ratio of 1.1 to 1, effective in FY2018 and all subsequent fiscal years.

***Days cash on hand:*** The System must maintain days cash on hand of 30, effective in FY2017 and all subsequent fiscal years.

The System is above the threshold for the debt service coverage ratio and is above the threshold for days cash on hand at September 30, 2018, and is in compliance with the covenants.

TPC had a \$1.5 million line of credit with a financial institution. The line of credit was terminated on August 28, 2018. The termination of the agreement relieved TPC of all liens encumbering the collateral in favor of the bank and restrictive covenants.

#### **Patient Activity Summary (excluding Memorial) September 30, 2018 and Statewide Data (Tab 10)**

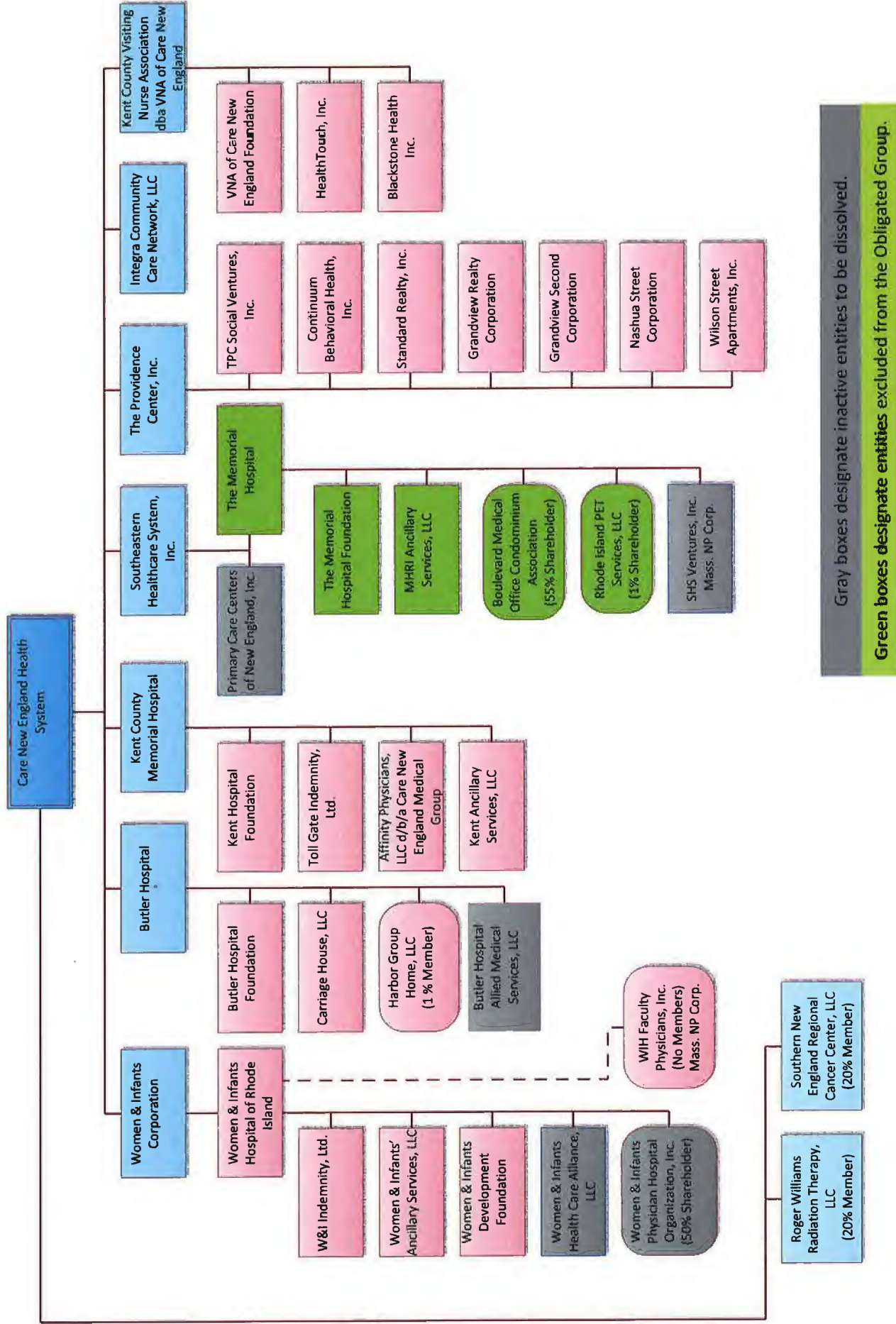
Inpatient volumes compared to budget declined over the last quarter. Kent was the only hospital where discharges finished ahead of the budget for the quarter. For the year, Kent finished ahead of budget by 4.7% and ahead of last year's volume by 7.1%. Kent finished the year with significantly lower patient days as length of stay initiatives were permanently put in place. Women & Infant's inpatient volume for both July and August was under budget by a combined 156 discharges, while Butler missed the budget by an average of 115 discharges in each of the final three months. Butler psych discharges finished the year 13.1% behind budget and 7.2% off last year's numbers. At Women & Infant's, patient days trended lower than budget for the final quarter, causing the hospital to finish the year virtually on budget. But NICU discharges and days did finish ahead of budget by 5.7% and 2.2%, respectively. Deliveries ended the year ahead of budget by 1.3%. Both inpatient and outpatient surgical procedures also lagged the budget by a combined 2.0%, while emergency room visits ended the year 1.7% below budget. Many other ancillary services also finished the year below budget.

#### **Capital Report (Tab 11)**

This section is used to report on the System's capital expenditures. The System is closely monitoring capital expenditures through the executive capital committee. All capital expenditures must be approved by this committee and such expenditures are limited to critical and strategic items. In FY2018, on a cash basis, \$17.0 million of the \$26.0 million capital budget has been spent, primarily related to information technology, medical equipment and facilities upgrades and renovations. Please see the report under this tab for an itemization of expenditures.



# EXHIBIT A



Gray boxes designate inactive entities to be dissolved.

Green boxes designate entities excluded from the Obligated Group.



# CARE NEW ENGLAND FINANCIAL HIGHLIGHTS

October-18

## Notes re: MHRI

- Consolidated results through October 2018 include \$104k of restructuring costs due to the closure of MHRI
- MHRI and affiliates withdrew from Obligated Group on Dec. 22, 2017



**CARE NEW ENGLAND**  
**FINANCIAL HIGHLIGHTS**  
**October-18**

Operations Key Indicators	FY2015 Actual <sup>6</sup>	FY2016 Actual	FY2017 Actual	YTD 2018 Actual <sup>2</sup>		YTD 2019 Budget		YTD 2019 Actual		S&P Medians <sup>1</sup>		Goal
				Total CNE	Obligated Group <sup>1</sup>	Total CNE	Obligated Group	Total CNE	Obligated Group	BBB	Speculative	
Operating Margin	-0.2%	-5.9%	-4.2%	-2.4%	0.6%	0.5%	1.0%	1.9%	2.3%	-1.8%	-4.2%	↑
Operating EBIDA Margin	3.7%	-2.0%	-0.3%	1.0%	3.9%	4.0%	4.4%	5.1%	5.4%	5.5%	2.2%	↑
Excess Margin <sup>3</sup>	-2.4%	-4.6%	-1.8%	-4.2%	-1.3%	1.2%	1.6%	-4.3%	-4.0%	0.3%	-2.1%	↑
Debt Service Coverage <sup>5</sup>	3.1x	0.32x	1.47x	3.13x	3.91x	3.77x	4.10x	4.36x	4.62x	2.8x	0.8x	↑
Salary + Benefits % of Revenue	62.8%	62.9%	63.7%	60.0%	60.3%	59.9%	59.9%	59.2%	59.3%	61.9%	52.6%	↓
Capital Expenditure Ratio	78.4%	72.5%	45.3%	59.7%	60.4%	100.0%	100.0%	45.6%	46.1%	103.8%	98.5%	↑

Balance Sheet Key Indicators	FY2015 Actual <sup>6</sup>	FY2016 Actual	FY2017 Actual	YTD 2018 Actual <sup>2</sup>		YTD 2019 Budget		YTD 2019 Actual		S&P Medians <sup>1</sup>		Goal
				Total CNE	Obligated Group <sup>1</sup>	Total CNE	Obligated Group	Total CNE	Obligated Group	BBB	Speculative	
Days Cash on Hand <sup>5</sup>	50.8	50.0	44.0	44.2	45.2	39.1	40.9	43.3	43.8	153.8	47.6	↑
Days A/R - Gross (Hospital)	56.0	49.0	49.0	45.0	45.0	48.5	48.5	46.0	46.0	43.3	62.0	↓
Days A/R - Gross (Professional)	40.4	36.0	35.0	32.2	32.2	30.0	30.0	30.9	30.9	n/a	n/a	↓
Debt to Capitalization	39.2%	49.7%	49.7%	47.3%	36.8%	39.5%	32.3%	47.9%	37.1%	39.7%	68.7%	↓
Cash to Debt	98%	93%	81%	83%	83%	84.3%	82.9%	81.1%	81.4%	129.4%	26.5%	↑
Current Ratio	1.35	1.19	1.19	1.29	1.32	1.40	1.45	1.32	1.35	n/a	n/a	↑
Average Age of Plant	12.3	12.2	14.2	18.0	18.1	18.1	17.1	18.3	18.2	10.8	14.3	↓
Average Payment Period	60.6	56.0	54.5	51.9	52.0	51.7	47.4	52.6	51.1	n/a	n/a	↑

<sup>1</sup> Reflects a combination of entity activity due to removal of Memorial from the Obligated Group effective December 22, 2017

- For period October 1 through December 21, 2017, all CNE entities are included

- Beginning December 22, 2017, Memorial Hospital and Memorial Foundation are excluded

<sup>2</sup> In FY2018, \$22.6 million of impairment expenses were recorded due to closure of MHRI

<sup>3</sup> In December 2017, \$29.5 million of settlement charges were recorded in non-operating expense for pension de-risking actions

<sup>4</sup> Per July 2018 Report on Not-For-Profit Health Care Systems

<sup>5</sup> All years based on 2016 Series B & C covenant calculations



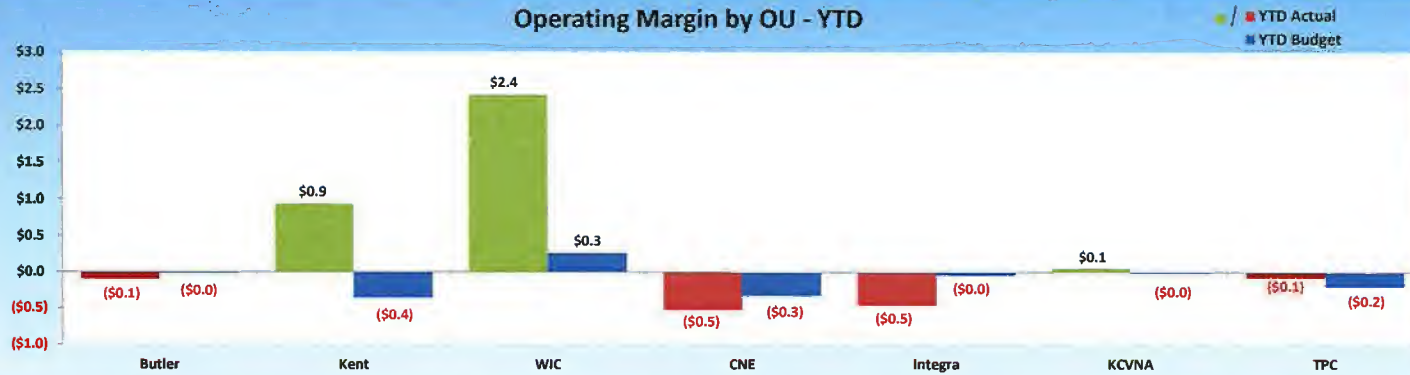
**CARE NEW ENGLAND  
FINANCIAL HIGHLIGHTS  
October-18**

**Notes re: MHRI**

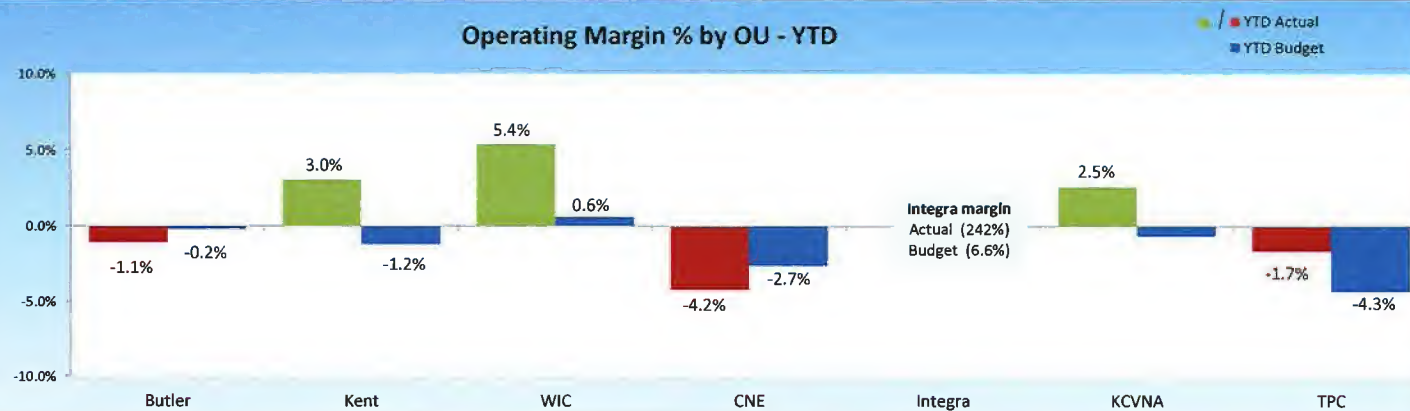
- Consolidated results through October 2018 include \$104k of restructuring costs due to the closure of MHRI
- MHRI and affiliates withdrew from Obligated Group on Dec. 22, 2017

**OBLIGATED GROUP**

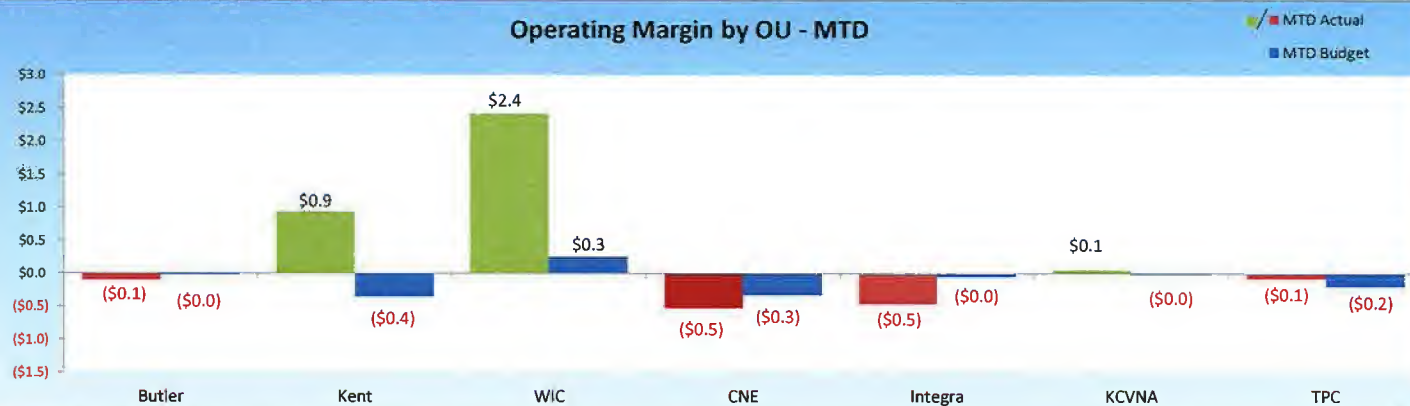
**Operating Margin by OU - YTD**



**Operating Margin % by OU - YTD**



**Operating Margin by OU - MTD**



**OUTSIDE OBLIGATED GROUP  
Memorial Hospital & Affiliates**

**YTD Operating Results**

**Operating Revenue**

Actual	\$	202,479
Budget	\$	86,845
Variance	\$	115,634

**Operating Expense**

Actual	\$	569,040
Budget	\$	555,899
Variance	\$	13,141

**Operating Margin**

Actual	\$	(366,561)
Budget	\$	(469,054)
Variance	\$	102,493

**YTD Operating Margin %**

**Operating Margin %**

Actual	-181.0%
Budget	-540.1%

**MTD Operating Results**

**Operating Revenue**

Actual	\$	202,479
Budget	\$	86,845
Variance	\$	115,634

**Operating Expense**

Actual	\$	569,040
Budget	\$	555,899
Variance	\$	13,141

**Operating Margin**

Actual	\$	(366,561)
Budget	\$	(469,054)
Variance	\$	102,493

**CARE NEW ENGLAND**  
**NORMALIZED OPERATING MARGIN**  
**Oct-18**

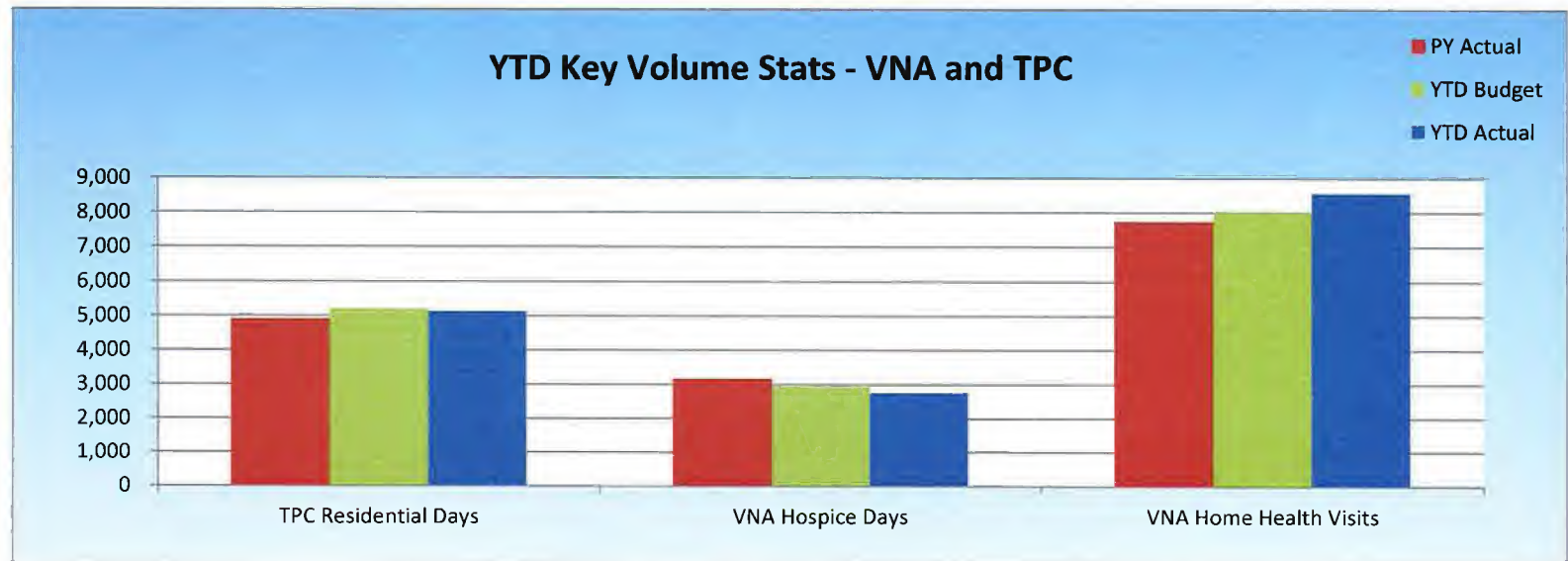
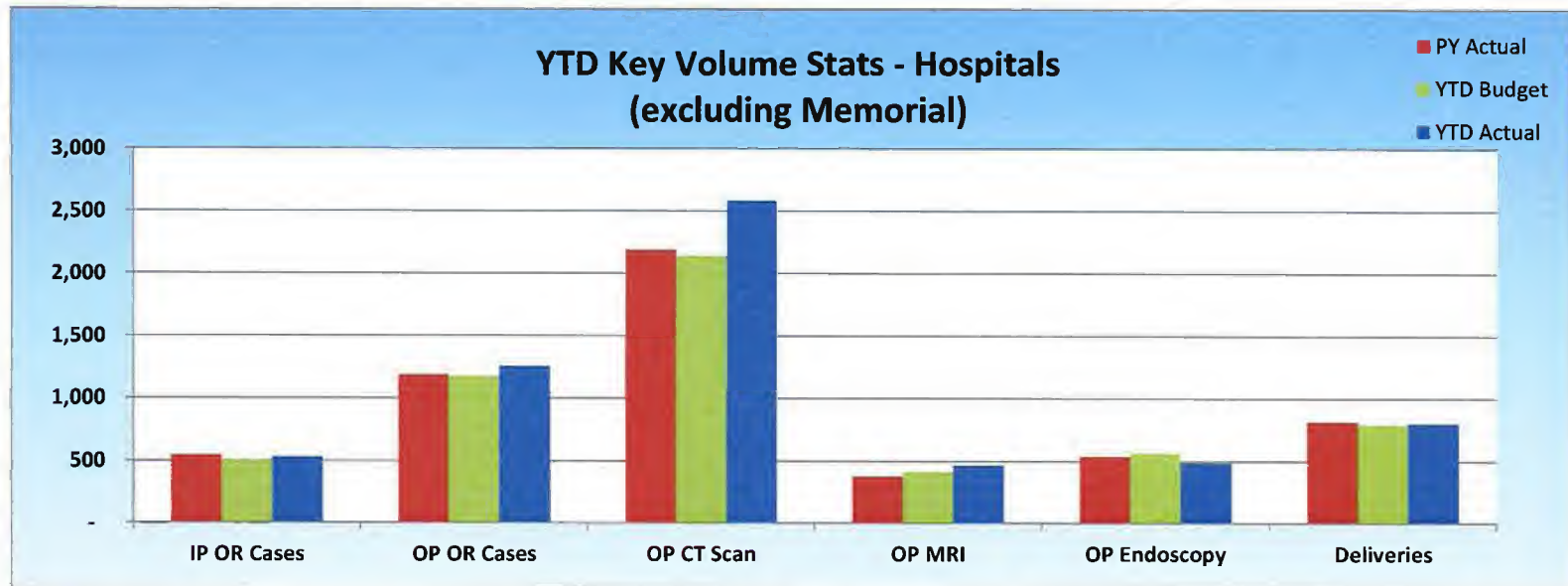
**Year to Date**

	Butler	Kent	WIH	SHS	CNE	Integra	VNA	TPC	Eliminations	Obligated Group	Memorial	Total CNE	Budget
Actual Operating Gain/(Loss)	\$ (100,442)	\$ 939,730	\$ 2,416,935	\$ -	\$ (524,030)	\$ (459,560)	\$ 52,591	\$ (77,010)	\$ 0	\$ 2,248,214	\$ (366,561)	\$ 1,881,653	\$ (1,179,294)
Restructuring Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger Costs	-	-	-	-	315,913	-	-	-	-	315,913	-	315,913	330,000
Restructuring Costs - Memorial	-	-	-	-	-	-	-	-	-	-	104,327	104,327	64,167
Total - Normalization	-	-	-	-	315,913	-	-	-	-	315,913	104,327	420,240	394,167
Normalized Operating Gain (Loss) - YTD	\$ (100,442)	\$ 939,730	\$ 2,416,935	\$ -	\$ (208,117)	\$ (459,560)	\$ 52,591	\$ (77,010)	\$ 0	\$ 2,564,127	\$ (262,234)	\$ 2,301,893	\$ (785,127)

**Month to Date**

	Butler	Kent	WIH	SHS	CNE	Integra	VNA	TPC	Eliminations	Obligated Group	Memorial	Total CNE	Budget
Actual Operating Gain/(Loss)	\$ (100,442)	\$ 939,730	\$ 2,416,935	\$ -	\$ (524,030)	\$ (459,560)	\$ 52,591	\$ (77,010)	\$ 0	\$ 2,248,214	\$ (366,561)	\$ 1,881,653	\$ (1,179,294)
Restructuring Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger Costs	-	-	-	-	315,913	-	-	-	-	315,913	-	315,913	330,000
Restructuring Costs - Memorial	-	-	-	-	-	-	-	-	-	-	104,327	104,327	64,167
Total - Normalization	-	-	-	-	315,913	-	-	-	-	315,913	104,327	420,240	394,167
Normalized Operating Gain/(Loss) - MTD	\$ (100,442)	\$ 939,730	\$ 2,416,935	\$ -	\$ (208,117)	\$ (459,560)	\$ 52,591	\$ (77,010)	\$ 0	\$ 2,564,127	\$ (262,234)	\$ 2,301,893	\$ (785,127)

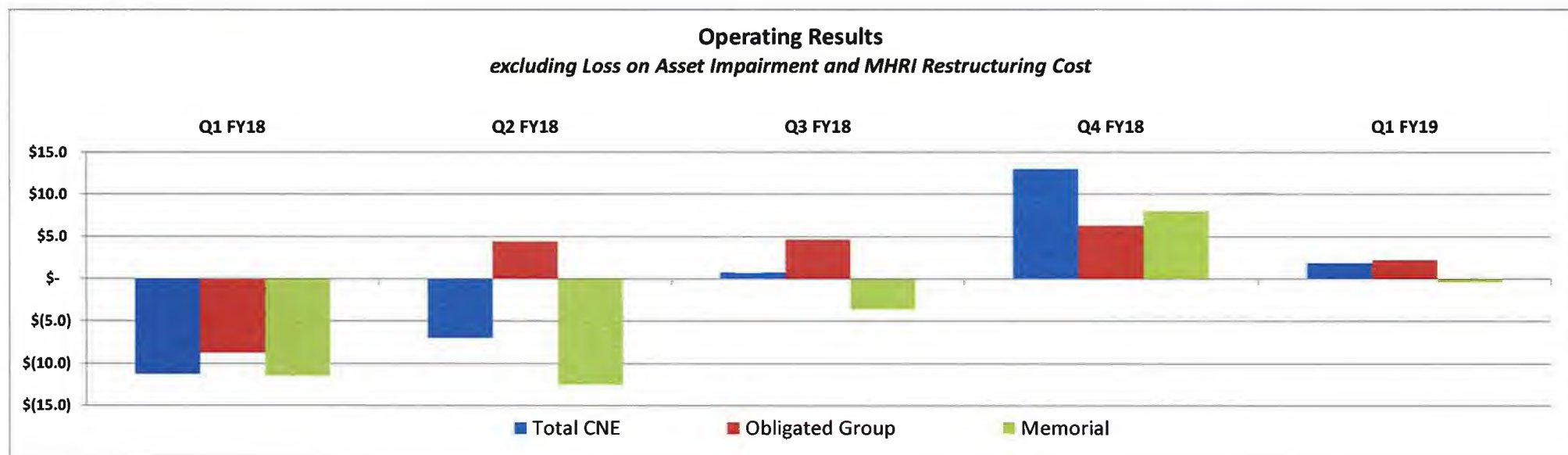
**CARE NEW ENGLAND**  
**FINANCIAL HIGHLIGHTS**  
**Oct-18**





**CARE NEW ENGLAND  
QUARTERLY TRENDS  
CONSOLIDATED AND OBLIGATED GROUP**

	FY 2018										FY 2019			
	Q1		Q2		Q3		Q4		YTD 2018 Results		Q1 - October only		YTD 2019 Results	
	Total CNE	Obligated Group	Total CNE	Obligated Group	Total CNE	Obligated Group	Total CNE	Obligated Group	Total CNE	Obligated Group	Total CNE	Obligated Group	Total CNE	Obligated Group
<b>Revenue</b>	\$ 278.2	\$ 277.5	\$ 271.6	\$ 271.9	\$ 278.7	\$ 279.1	\$ 302.7	\$ 292.3	\$ 1,131.2	\$ 1,120.8	\$ 98.4	\$ 98.1	\$ 98.4	\$ 98.1
<b>Expenses</b>														
Loss on Asset Impairment	22.4	-	(0.2)	-	0.1	-	-	-	22.3	-	-	-	-	-
Restructuring - MHRI	2.6	1.6	5.1	-	0.6	-	(1.1)	-	7.2	1.6	0.1	-	0.1	-
Restructuring - All Other	0.4	0.4	0.5	0.5	(0.5)	(0.5)	(0.3)	(0.3)	0.1	0.1	-	-	-	-
All Other Expenses	286.5	284.2	273.1	267.0	277.7	275.0	291.1	286.3	1,128.4	1,112.5	96.4	95.8	96.4	95.8
<b>Total Expenses</b>	<b>311.9</b>	<b>286.2</b>	<b>278.5</b>	<b>267.5</b>	<b>277.9</b>	<b>274.5</b>	<b>289.7</b>	<b>286.0</b>	<b>1,158.1</b>	<b>1,114.2</b>	<b>96.5</b>	<b>95.8</b>	<b>96.5</b>	<b>95.8</b>
<b>Gain / (Loss) from Operations</b>	<b>\$ (33.7)</b>	<b>\$ (8.7)</b>	<b>\$ (7.0)</b>	<b>\$ 4.4</b>	<b>\$ 0.8</b>	<b>\$ 4.6</b>	<b>\$ 13.0</b>	<b>\$ 6.3</b>	<b>\$ (26.9)</b>	<b>\$ 6.6</b>	<b>\$ 1.9</b>	<b>\$ 2.2</b>	<b>\$ 1.9</b>	<b>\$ 2.2</b>
<b>MHRI Gain/(Loss)</b>	<b>(33.9)</b>	<b>(8.4)</b>	<b>(12.3)</b>	<b>-</b>	<b>(3.7)</b>	<b>-</b>	<b>8.0</b>	<b>-</b>	<b>(41.9)</b>	<b>(8.4)</b>	<b>(0.4)</b>	<b>-</b>	<b>(0.4)</b>	<b>-</b>





**ACTION PLAN PERFORMANCE TO DATE**  
**October-18**

DRAFT

Initiative Category	Benefit		Year-to-Date Performance		
	FY19 Budget	Annualized	Forecast	Actual	Variance
Programs & Services	\$ 6,747,326	\$ 8,158,263	\$ 475,603	\$ 452,109	\$ (23,494)
Care Retention	4,113,172	5,367,437	258,583	250,961	(7,623)
Labor	3,237,966	3,404,638	94,844	94,052	(792)
Supply Chain	2,899,999	2,899,999	100,300	109,480	9,180
Revenue Cycle <sup>(1)</sup>	3,900,000	3,900,000	325,000	325,000	-
<b>Subtotal</b>	<b>20,898,463</b>	<b>23,730,338</b>	<b>1,254,330</b>	<b>1,231,602</b>	<b>(22,729)</b>
Execution Risk	-	-	(297,696)	-	297,696
<b>Total excluding Execution Risk</b>	<b>\$ 20,898,463</b>	<b>\$ 23,730,338</b>	<b>\$ 956,634</b>	<b>\$ 1,231,602</b>	<b>\$ 274,967</b>

<sup>(1)</sup> Actual performance data lags by 90 days. Current period results are estimated to be at budget.

**Care New England Health System**  
**Consolidated Balance Sheet**  
(Unaudited)

**CONSOLIDATED**

	9/30/2018	6/30/2018	9/30/2017	9/18-6/18 Change	% Change	9/18-09/17 Change	% Change
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	47,375,732	53,372,776	54,458,086	(5,997,044)	-11.24%	(7,082,354)	-13.01%
Receivables							
Patient	152,076,222	148,742,510	156,374,664	3,333,712	2.24%	(4,298,442)	-2.75%
Less estimated uncollectibles	40,022,756	41,802,713	45,200,490	(1,779,957)	-4.26%	(5,177,734)	-11.46%
Net patient receivables	112,053,466	106,939,797	111,174,174	5,113,669	4.78%	879,292	0.79%
Other	29,674,453	57,437,317	22,632,458	(27,762,864)	-48.34%	7,041,995	31.11%
<b>Total receivables</b>	<b>141,727,919</b>	<b>164,377,114</b>	<b>133,806,632</b>	<b>(22,649,195)</b>	<b>-13.78%</b>	<b>7,921,287</b>	<b>5.92%</b>
Assets limited as to use	1,644,087	5,185,820	1,487,363	(3,541,733)	-68.30%	156,724	10.54%
Inventories	8,400,077	7,530,107	8,501,816	869,970	11.55%	(101,739)	-1.20%
Prepaid expenses	13,538,621	14,364,049	11,118,510	(825,428)	-5.75%	2,420,111	21.77%
Notes receivable, net	101,073	-	-	101,073	0.00%	101,073	0.00%
Pledges, net	348,796	453,924	636,962	(105,128)	-23.16%	(288,166)	-45.24%
<b>Total current assets</b>	<b>213,136,305</b>	<b>245,283,790</b>	<b>210,009,369</b>	<b>(32,147,485)</b>	<b>-13.11%</b>	<b>3,126,936</b>	<b>1.49%</b>
<b>Assets limited as to use</b>							
Endowment funds	69,759,177	69,457,137	68,307,241	302,040	0.43%	1,451,936	2.13%
Board designated	123,418,947	120,632,128	117,559,918	2,786,819	2.31%	5,859,029	4.98%
Self insurance trust funds	160,702,302	144,953,889	159,678,778	15,748,413	10.86%	1,023,524	0.64%
Deferred compensation fund	1,442,703	1,372,621	2,373,787	70,082	5.11%	(931,084)	-39.22%
Trustee held funds	13,940,111	18,474,406	13,445,425	(4,534,295)	-24.54%	494,686	3.68%
<b>Total assets limited as to use</b>	<b>369,263,240</b>	<b>354,890,181</b>	<b>361,365,149</b>	<b>14,373,059</b>	<b>4.05%</b>	<b>7,898,091</b>	<b>2.19%</b>
Less amount required to meet current obligations	1,644,087	5,185,820	1,487,363	(3,541,733)	-68.30%	156,724	10.54%
<b>Noncurrent assets limited as to use</b>	<b>367,619,153</b>	<b>349,704,361</b>	<b>359,877,786</b>	<b>17,914,792</b>	<b>5.12%</b>	<b>7,741,367</b>	<b>2.15%</b>
Property, plant and equipment, net	253,145,764	246,832,188	283,683,445	6,313,576	2.56%	(30,537,681)	-10.76%
Goodwill	24,488,975	24,488,975	24,488,975	-	0.00%	-	0.00%
Intangibles	1,080,000	1,080,000	1,080,000	-	0.00%	-	0.00%
<b>Other Assets:</b>							
Investments	3,924,208	3,622,545	3,931,095	301,663	8.33%	(6,887)	-0.18%
Notes and advances receivable, net	161,221	-	-	161,221	0.00%	161,221	0.00%
Other	1,565,039	-	-	1,565,039	0.00%	1,565,039	0.00%
Insurance recoveries receivable	5,898,068	2,064,069	2,064,069	3,833,999	185.75%	3,833,999	185.75%
Pledges receivable, net	89,582	21,215	15,765	68,367	322.26%	73,817	468.23%
Prepaid expenses and other	22,860	23,957	30,410	(1,097)	-4.58%	(7,550)	-24.83%
<b>Total other assets</b>	<b>11,660,978</b>	<b>5,731,786</b>	<b>6,041,339</b>	<b>5,929,192</b>	<b>103.44%</b>	<b>5,619,639</b>	<b>93.02%</b>
<b>Total assets</b>	<b>871,131,175</b>	<b>873,121,100</b>	<b>885,180,914</b>	<b>(1,989,925)</b>	<b>-0.23%</b>	<b>(14,049,739)</b>	<b>-1.59%</b>

**LIABILITIES AND NET ASSETS**

	9/30/2018	6/30/2018	9/30/2017	9/18-6/18 Change	% Change	9/18-09/17 Change	% Change
<b>Current liabilities:</b>							
Notes payable	-	-	442,144	-	0.00%	(442,144)	-100.00%
Current pension payable	18,906,084	15,042,130	15,342,301	3,863,954	25.69%	3,563,783	23.23%
Current installments of long-term debt	6,088,692	5,901,978	5,880,484	186,714	3.16%	208,208	3.54%
Accounts payable and accrued expenses	109,893,038	138,513,172	124,080,179	(28,620,134)	-20.66%	(14,187,141)	-11.43%
Self-insurance reserves	10,359,395	9,324,143	11,578,658	1,035,252	11.10%	(1,219,263)	-10.53%
Deferred revenue	18,885,660	17,532,779	15,771,106	1,352,881	7.72%	3,114,554	19.75%
Estimated third party payor settlements	-	12,544,719	2,279,370	(12,544,719)	-100.00%	(2,279,370)	-100.00%
Deferred compensation	618,974	515,165	759,232	103,809	20.15%	(140,258)	-18.47%
<b>Total current liabilities</b>	<b>164,751,843</b>	<b>199,374,086</b>	<b>176,133,474</b>	<b>(34,622,243)</b>	<b>-17.37%</b>	<b>(11,381,631)</b>	<b>-6.46%</b>
Estimated third party payor settlements	27,612,056	22,473,873	22,553,062	5,138,183	22.86%	5,058,994	22.43%
Net pension liability	89,880,243	105,220,024	100,083,815	(15,339,781)	-14.58%	(10,203,572)	-10.20%
Net post retirement liability	1,092,755	1,384,571	1,384,571	(291,816)	-21.08%	(291,816)	-21.08%
Asset retirement obligation	6,353,898	2,009,795	1,931,874	4,344,103	216.15%	4,422,024	228.90%
Other liabilities	75,729	84,072	108,630	(8,343)	-9.92%	(32,901)	-30.29%
Self-insurance reserves	148,308,213	137,292,975	139,111,009	11,015,238	8.02%	9,197,204	6.61%
Long-term debt, net of current portion	165,744,883	170,386,551	171,820,551	(4,641,668)	-2.72%	(6,075,668)	-3.54%
Deferred compensation	635,062	761,339	1,291,302	(126,277)	-16.59%	(656,240)	-50.82%
<b>Total liabilities</b>	<b>604,454,682</b>	<b>638,987,286</b>	<b>614,418,288</b>	<b>(34,532,604)</b>	<b>-5.40%</b>	<b>(9,963,606)</b>	<b>-1.62%</b>
<b>Net assets:</b>							
Unrestricted	180,695,097	147,929,262	187,658,969	32,765,835	22.15%	(6,963,872)	-3.71%
Temporarily restricted	43,354,996	44,230,004	41,414,763	(875,008)	-1.98%	1,940,233	4.68%
Permanently restricted	42,626,400	41,974,548	41,688,894	651,852	1.55%	937,506	2.25%
<b>Total net assets</b>	<b>266,676,493</b>	<b>234,133,814</b>	<b>270,762,626</b>	<b>32,542,679</b>	<b>13.90%</b>	<b>(4,086,133)</b>	<b>-1.51%</b>
<b>Total liabilities and net assets</b>	<b>871,131,175</b>	<b>873,121,100</b>	<b>885,180,914</b>	<b>(1,989,925)</b>	<b>-0.23%</b>	<b>(14,049,739)</b>	<b>-1.59%</b>

**Care New England Health System**  
**Consolidated Balance Sheet**  
**(Unaudited)**

**OBLIGATED GROUP**

	9/30/2018	6/30/2018	9/30/2017	9/18-6/18 Change	% Change	9/18-09/17 Change	% Change
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	47,377,284	53,381,837	54,458,086	(6,004,553)	-11.25%	(7,080,802)	-13.00%
Receivables							
Patient	151,390,875	146,606,346	156,374,664	4,784,529	3.26%	(4,983,789)	-3.19%
Less estimated uncollectibles	39,337,409	39,468,038	45,200,490	(130,629)	-0.33%	(5,863,081)	-12.97%
Net patient receivables	112,053,466	107,138,308	111,174,174	4,915,158	4.59%	879,292	0.79%
Other	26,122,988	46,922,065	22,632,458	(20,799,077)	-44.33%	3,490,530	15.42%
<b>Total receivables</b>	<b>138,176,454</b>	<b>154,060,373</b>	<b>133,806,632</b>	<b>(15,883,919)</b>	<b>-10.31%</b>	<b>4,369,822</b>	<b>3.27%</b>
Assets limited as to use	1,644,087	5,185,820	1,487,363	(3,541,733)	-68.30%	156,724	10.54%
Inventories	8,400,077	7,386,097	8,501,816	1,013,980	13.73%	(101,739)	-1.20%
Prepaid expenses	12,967,206	13,821,599	11,118,510	(854,393)	-6.18%	1,848,696	15.63%
Notes receivable, net	101,073	-	-	101,073	0.00%	101,073	0.00%
Pledges, net	348,796	453,924	636,962	(105,128)	-23.16%	(288,166)	-45.24%
Due from Affiliates	-	-	-	-	0.00%	-	0.00%
<b>Total current assets</b>	<b>209,014,977</b>	<b>234,289,650</b>	<b>210,009,369</b>	<b>(25,274,673)</b>	<b>-10.79%</b>	<b>(994,392)</b>	<b>-0.47%</b>
<b>Assets limited as to use</b>							
Endowment funds	57,843,798	56,700,437	68,307,241	1,143,361	2.02%	(10,463,443)	-15.32%
Board designated	123,418,947	120,632,128	117,559,918	2,786,819	2.31%	5,859,029	4.98%
Self insurance trust funds	160,702,302	144,953,889	159,678,778	15,748,413	10.86%	1,023,524	0.64%
Deferred compensation fund	1,442,703	1,372,621	2,373,787	70,082	5.11%	(931,084)	-33.22%
Trustee held funds	13,940,111	18,474,406	13,445,425	(4,534,295)	-24.54%	494,686	3.68%
<b>Total assets limited as to use</b>	<b>357,347,861</b>	<b>342,133,481</b>	<b>361,365,149</b>	<b>15,214,380</b>	<b>4.45%</b>	<b>(4,017,288)</b>	<b>-1.11%</b>
Less amount required to meet current obligations	1,644,087	5,185,820	1,487,363	(3,541,733)	-68.30%	156,724	10.54%
<b>Noncurrent assets limited as to use</b>	<b>355,703,774</b>	<b>336,947,661</b>	<b>359,877,786</b>	<b>18,756,113</b>	<b>5.57%</b>	<b>(4,174,012)</b>	<b>-1.16%</b>
Property, plant and equipment, net	247,618,739	242,232,619	283,683,445	5,386,120	2.22%	(36,064,706)	-12.71%
Goodwill	143,611	143,611	24,488,975	-	0.00%	(24,345,364)	-93.41%
Intangibles	1,080,000	1,080,000	1,080,000	-	0.00%	-	0.00%
<b>Other Assets:</b>							
Investments	3,919,208	3,617,545	3,931,095	301,663	8.34%	(11,887)	-0.30%
Notes and advances receivable, net	161,221	-	-	161,221	0.00%	161,221	0.00%
Other	1,565,039	-	-	1,565,039	0.00%	1,565,039	0.00%
Insurance recoveries receivable	347,559	483,410	2,064,069	(135,851)	-28.10%	(1,716,510)	-83.16%
Pledges receivable, net	89,582	21,215	15,765	68,367	322.26%	73,817	463.23%
Due from Affiliates	109,241,027	117,613,350	-	(8,372,323)	-7.12%	109,241,027	0.00%
Prepaid expenses and other	22,860	23,957	30,410	(1,097)	-4.58%	(7,550)	-24.83%
<b>Total other assets</b>	<b>115,346,496</b>	<b>121,759,477</b>	<b>6,041,339</b>	<b>(6,412,981)</b>	<b>-5.27%</b>	<b>109,305,157</b>	<b>1809.29%</b>
<b>Total assets</b>	<b>928,907,597</b>	<b>936,453,018</b>	<b>885,180,914</b>	<b>(7,545,421)</b>	<b>-0.81%</b>	<b>43,726,683</b>	<b>4.94%</b>

**LIABILITIES AND NET ASSETS**

	9/30/2018	6/30/2018	9/30/2017	9/18-6/18 Change	% Change	9/18-09/17 Change	% Change
<b>Current liabilities:</b>							
Notes payable	-	-	442,144	-	0.00%	(442,144)	-100.00%
Current pension payable	18,906,084	15,042,130	15,342,301	3,863,954	25.69%	3,563,783	23.23%
Current installments of long-term debt	6,059,513	5,873,161	5,880,484	186,352	3.17%	179,029	3.04%
Accounts payable and accrued expenses	108,471,734	129,678,013	124,080,179	(21,206,279)	-16.35%	(15,608,445)	-12.58%
Self-insurance reserves	10,359,395	9,324,143	11,578,658	1,035,252	11.10%	(1,219,263)	-10.53%
Deferred revenue	14,200,375	14,157,553	15,771,106	42,822	0.30%	(1,570,731)	-9.96%
Estimated third party payor settlements	-	620,964	2,279,370	(620,964)	-100.00%	(2,279,370)	-100.00%
Deferred compensation	618,974	515,165	759,232	103,809	20.15%	(140,258)	-18.47%
<b>Total current liabilities</b>	<b>158,616,075</b>	<b>175,211,129</b>	<b>176,133,474</b>	<b>(16,595,054)</b>	<b>-9.47%</b>	<b>(17,517,399)</b>	<b>-9.95%</b>
Estimated third party payor settlements	17,006,003	17,897,914	22,553,062	(891,911)	-4.98%	(5,547,059)	-24.60%
Net pension liability	89,880,243	105,220,024	100,083,815	(15,339,781)	-14.58%	(10,203,572)	-10.20%
Net post retirement liability	1,092,755	1,384,571	1,384,571	(291,816)	-21.08%	(291,816)	-21.08%
Asset retirement obligation	1,998,932	1,989,172	1,931,874	9,760	0.49%	67,058	3.47%
Other liabilities	75,729	84,072	108,630	(8,343)	-9.92%	(32,901)	-30.29%
Self-insurance reserves	141,738,704	135,638,994	139,111,009	6,099,710	4.50%	2,627,695	1.89%
Long-term debt, net of current portion	165,706,301	170,340,538	171,820,551	(4,634,237)	-2.72%	(6,114,250)	-3.56%
Deferred compensation	635,062	761,339	1,291,302	(126,277)	-16.59%	(656,240)	-50.82%
<b>Total liabilities</b>	<b>576,749,804</b>	<b>608,527,753</b>	<b>614,418,288</b>	<b>(31,777,949)</b>	<b>-5.22%</b>	<b>(37,668,484)</b>	<b>-6.13%</b>
<b>Net assets:</b>							
Unrestricted	278,557,093	254,965,360	187,658,969	23,591,733	9.25%	90,898,124	48.44%
Temporarily restricted	41,947,348	41,827,853	41,414,763	119,495	0.29%	532,585	1.29%
Permanently restricted	31,653,352	31,132,052	41,688,894	521,300	1.67%	(10,035,542)	-24.07%
<b>Total net assets</b>	<b>352,157,793</b>	<b>327,925,265</b>	<b>270,762,626</b>	<b>24,232,528</b>	<b>7.39%</b>	<b>81,395,167</b>	<b>30.06%</b>
<b>Total liabilities and net assets</b>	<b>928,907,597</b>	<b>936,453,018</b>	<b>885,180,914</b>	<b>(7,545,421)</b>	<b>-0.81%</b>	<b>43,726,683</b>	<b>4.94%</b>

**Care New England  
Balance Sheet  
(Unaudited)**

OBLIGATED GROUP													
As of September 30, 2018													
BUTLER	KENT	CNEMG	WIC	SHS¹	CNE	Integra	KCVNA¹	TPC	Eliminations¹	Total Obligated Group	Memorial²	Eliminations²	Total Care New England
(1,616,546)	36,493,736	(24,006,002)	106,100,085	-	(54,387,085)	(10,138,658)	(6,349,376)	1,281,130	-	47,377,284	(1,552)	-	47,375,732
10,285,140	48,306,834	10,817,133	69,602,046	-	8,238	-	3,489,819	8,881,665	-	151,390,875	685,347	-	152,076,222
3,508,103	14,728,400	4,553,595	12,741,676	-	-	-	762,124	3,043,511	-	39,337,409	685,347	-	40,022,756
6,777,037	33,578,434	6,263,538	56,860,370	-	8,238	-	2,727,695	5,838,154	-	112,053,466	-	-	112,053,466
3,461,496	1,786,814	1,392,356	10,864,527	-	138,167	7,405,867	747,400	326,361	-	26,122,988	3,551,465	-	29,674,453
10,238,533	35,365,248	7,655,894	67,724,897	-	146,405	7,405,867	3,475,095	6,164,515	-	138,176,454	3,551,465	-	141,727,919
-	-	-	-	-	1,644,087	-	-	-	-	1,644,087	-	-	1,644,087
224,428	4,664,288	450,388	3,060,973	-	-	-	-	-	-	8,400,077	-	-	8,400,077
208,374	817,329	11,180	3,368,272	-	8,300,413	74,372	28,268	158,998	-	12,967,206	571,415	-	13,538,621
-	-	101,073	-	-	-	-	-	-	-	101,073	-	-	101,073
25,549	159,528	-	154,994	-	-	-	-	8,725	-	348,796	-	-	348,796
46,216	-	-	852	-	4,740,041	-	-	-	(4,787,109)	-	-	-	-
9,126,554	77,500,129	(15,787,467)	180,410,073	-	(39,556,139)	(2,658,419)	(2,846,013)	7,613,368	(4,787,109)	209,014,977	4,121,328	-	213,136,305
19,910,934	18,452,374	-	17,730,059	-	-	-	-	1,750,431	-	57,843,798	11,915,379	-	69,759,177
7,274,907	24,573,409	-	90,788,039	-	-	-	782,592	-	-	123,418,947	-	-	123,418,947
3,595,858	51,551,798	-	101,849,623	-	3,705,023	-	-	-	-	160,702,302	-	-	160,702,302
206,491	72,252	-	356,319	-	807,641	-	-	-	-	1,442,703	-	-	1,442,703
30,988,190	94,649,833	-	210,724,040	-	13,167,552	-	-	772,559	-	13,940,111	-	-	13,940,111
-	-	-	-	-	17,680,216	-	782,592	2,522,990	-	357,347,861	11,915,379	-	369,263,240
-	-	-	-	-	1,644,087	-	-	-	-	1,644,087	-	-	1,644,087
30,988,190	94,649,833	-	210,724,040	-	16,036,129	-	782,592	2,522,990	-	355,703,774	11,915,379	-	367,619,153
21,479,647	66,567,831	-	118,979,528	-	24,266,204	-	348,132	15,977,397	-	247,618,739	5,527,025	-	253,145,764
-	-	-	-	-	-	-	-	143,611	-	24,345,364	-	-	24,488,975
-	-	-	-	-	-	-	-	1,080,000	-	1,080,000	-	-	1,080,000
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
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<sup>1</sup> - includes Southeastern Health Care System Inc., Blackstone Health, Inc., and Primary Care Centers of New England

<sup>2</sup> - includes The Memorial Hospital and affiliates



Care New England  
Balance Sheet  
(Unaudited)

OBLIGATED GROUP													
As of September 30, 2018													
BUTLER	KENT	CNEMG	WIC	SHS¹	CNE	Integra	KCVNA¹	TPC	Eliminations¹	Total Obligated Group	Memorial²	Eliminations²	Total Care New England
-	-	-	-	-	-	-	-	-	-	-	-	-	-
801,254	11,343,561	-	1,965,470	-	3,577,861	-	129,377	1,088,561	-	18,906,084	-	-	18,906,084
288,334	841,060	-	635,482	-	5,590,579	-	-	53,472	(1,349,414)	6,059,513	29,179	-	6,088,692
6,819,225	36,308,891	4,766,342	28,854,933	-	20,675,477	7,114,612	2,363,148	1,569,106	-	108,471,734	1,421,304	-	109,893,038
-	-	-	-	-	10,359,395	-	-	-	-	10,359,395	-	-	10,359,395
7,387,784	732,397	-	5,058,287	-	259,764	113,831	442,719	205,593	-	14,200,375	4,685,285	-	18,885,660
-	62,237	-	-	-	-	-	-	3,375,458	(3,437,695)	-	-	-	-
-	-	-	-	-	618,974	-	-	-	-	618,974	-	-	618,974
15,296,597	49,288,146	4,766,342	36,514,172	-	41,082,050	7,228,443	2,935,244	6,292,190	(4,787,109)	158,616,075	6,135,768	-	164,751,843
2,118,724	779,999	-	13,819,931	-	-	-	287,349	-	-	17,006,003	10,606,053	-	27,612,056
7,058,346	11,964,705	-	5,493,744	-	64,352,651	-	1,010,797	-	-	89,880,243	-	-	89,880,243
-	1,092,755	-	-	-	-	-	-	-	-	1,092,755	-	-	1,092,755
944,903	1,054,029	-	-	-	-	-	-	-	-	1,998,932	4,354,966	-	6,353,898
-	75,729	-	-	-	-	-	-	-	-	75,729	-	-	75,729
3,577,575	45,087,651	-	84,128,250	-	8,945,228	-	-	-	-	141,738,704	6,569,509	-	148,308,213
2,764,598	1,603,893	-	86,782	-	161,101,747	-	-	149,281	-	165,706,301	38,582	-	165,744,883
-	-	-	-	-	-	-	-	-	-	-	109,241,027	(109,241,027)	-
206,491	72,252	-	356,319	-	-	-	-	-	-	635,062	-	-	635,062
31,967,234	111,019,159	4,766,342	140,399,198	-	275,481,676	7,228,443	4,233,390	6,441,471	(4,787,109)	576,749,804	136,945,905	(109,241,027)	604,454,682
7,867,057	109,522,864	(20,392,588)	343,238,081	-	(161,575,247)	(9,887,570)	(5,925,287)	15,709,783	-	278,557,093	(97,861,996)	-	180,695,097
18,518,664	4,417,381	-	15,504,043	-	-	708	(23,392)	3,529,944	-	41,947,348	1,407,648	-	43,354,996
3,628,051	14,319,086	-	12,027,187	-	-	-	-	1,679,028	-	31,653,352	10,973,048	-	42,626,400
30,013,772	128,259,331	(20,392,588)	370,769,311	-	(161,575,247)	(9,886,862)	(5,948,679)	20,918,755	-	352,157,793	(85,481,300)	-	266,676,493
61,981,006	239,278,490	(15,626,246)	511,168,509	-	113,906,429	(2,658,419)	(1,715,289)	27,360,226	(4,787,109)	928,907,597	51,464,605	(109,241,027)	871,131,175

<sup>1</sup> includes Southeastern Healthcare System Inc. and Primary Care Centers of New England, Inc.

<sup>2</sup> - includes The Memorial Hospital and affiliates

**Care New England**  
**Statements of Cash Flows**  
**(Unaudited)**

	12 Months Ended	9/30/2018
<b>Operating activities</b>		
Change in net assets		\$ (4,086,133)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Change in beneficial interest in perpetual trusts		(816,493)
Change in beneficial interest in assets held at community foundation		(81,345)
Pension and post retirement adjustments		(38,212,755)
Pension settlement		31,096,004
Depreciation and amortization		30,021,896
Loss on asset impairment - Memorial Hospital closure		22,560,986
Loss on disposal of property, plant and equipment		126,769
Amortization of debt issuance costs		160,937
Bond premium amortization		(650,449)
Bond discount amortization		56,467
Provision for bad debt		33,001,502
Income and realized gains on assets limited as to use		(11,813,219)
Net unrealized gains on investments		(2,038,630)
Restricted contributions and investment income		(39,668)
Changes in		
Patient accounts receivable		(33,880,794)
Other current and long-term assets		(10,958,914)
Accounts payable and accrued expenses		(15,645,400)
Estimated third-party payor settlements		2,779,624
Other liabilities		6,707,179
Net pension liability		185,146
Self-insurance reserves		4,143,942
Net cash provided by (used in) operating activities		<u>12,616,652</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment		(17,100,946)
Purchase of property, plant and equipment - asset retirement obligation		(4,126,964)
Proceeds from the sale of property, plant and equipment		514,199
Net change in assets limited as to use		<u>6,851,596</u>
Net cash provided by (used in) investing activities		<u>(13,862,115)</u>
<b>Financing activities</b>		
Payments on notes payable		(442,144)
Payments on long-term debt and capital leases		(5,434,415)
Restricted contributions to be used for long-term investments and investment income		39,668
Net cash provided by (used in) financing activities		<u>(5,836,891)</u>
Net increase (decrease) in cash and cash equivalents		<u>(7,082,354)</u>
<b>Cash and cash equivalents</b>		
Beginning of year		<u>54,458,086</u>
End of year		<u>\$ 47,375,732</u>

Care New England  
Combined Statement of Unrestricted Activities  
As of September 30, 2018  
(Unaudited)

	OBLIGATED GROUP¹				CONSOLIDATED						
	Q4 2018 Actual	Q3 2018 Actual	Q2 2018 Actual	Q1 2018 Actual	Q4 2018 Actual	Q3 2018 Actual	Q2 2018 Actual	Q1 2018 Actual	Q4 2017 Actual	Variance Q4 2018 to Q4 2017	%
<b>Unrestricted revenues and gains:</b>											
Patient service revenue (net of contractual allowances and discounts)	272,771,964	257,183,838	251,433,351	259,774,763	283,402,311	257,235,320	252,141,723	260,674,345	269,299,706	\$14,102,605	5.35%
Less: Charity care	(2,895,125)	(2,806,782)	(3,960,169)	(2,989,508)	(2,903,688)	(2,939,610)	(4,354,295)	(3,041,123)	(3,950,431)	\$1,046,765	-23.56%
Provision for bad debts	(9,698,254)	(7,903,226)	(7,407,281)	(8,153,795)	(9,666,853)	(7,821,242)	(7,352,280)	(8,161,127)	(10,202,396)	\$535,543	-4.78%
Net patient service revenue less provision for bad debts	260,178,585	246,473,830	240,065,901	248,631,460	270,831,792	246,474,468	240,435,148	249,472,095	255,146,879	15,684,913	6.33%
Net assets released from restrictions	1,625,235	310,702	493,376	308,287	1,636,506	314,168	534,459	320,625	2,474,263	(837,757)	-153.60%
Research revenue	7,558,065	7,650,904	7,362,777	8,514,014	9,162,530	7,963,041	8,463,394	8,640,436	8,300,680	861,850	13.24%
Other revenue	23,002,333	24,674,714	23,956,562	20,068,735	21,062,089	24,022,426	22,119,095	19,757,538	33,917,944	(12,855,855)	-64.31%
<b>Total revenues and gains</b>	<b>292,364,218</b>	<b>279,110,150</b>	<b>271,878,616</b>	<b>277,522,496</b>	<b>302,692,917</b>	<b>278,774,103</b>	<b>271,552,696</b>	<b>278,190,894</b>	<b>299,839,766</b>	<b>2,853,151</b>	<b>1.04%</b>
<b>Operating expenses:</b>											
Salaries and wages	135,135,358	127,386,132	122,988,029	134,496,389	134,989,583	127,580,313	124,012,765	135,444,278	141,489,553	(6,499,970)	-4.70%
Fringe benefits	38,754,015	39,236,377	38,706,062	39,282,401	38,736,522	39,535,532	39,140,169	39,607,340	39,088,188	(351,666)	-0.80%
Insurances	9,125,659	6,577,065	6,685,911	7,428,392	10,154,390	6,695,852	7,164,594	7,469,046	7,088,009	3,066,381	40.06%
Medical supplies and drugs	22,955,855	25,337,075	24,931,585	25,713,530	23,267,895	25,293,879	25,068,612	25,817,760	24,876,648	(1,608,753)	-5.89%
Other expenses	53,741,491	49,884,636	46,720,441	46,247,424	53,450,965	49,782,995	47,874,562	46,582,349	56,246,339	(2,795,374)	-5.67%
Research expenses	7,499,573	7,849,430	7,123,082	8,639,098	9,060,451	7,903,581	8,121,740	7,943,695	7,943,695	0	0.00%
Licensure fee	10,443,166	10,443,165	10,443,165	11,994,542	12,181,456	12,181,455	12,181,454	12,181,455	11,451,473	729,983	6.37%
Interest	1,986,751	2,000,398	2,002,847	1,985,585	1,986,281	2,001,392	2,006,707	2,012,787	2,131,213	(144,932)	-6.17%
Depreciation and amortization	7,153,839	6,637,905	7,443,257	8,413,042	6,995,701	6,796,068	7,692,407	8,537,720	7,905,173	(909,472)	-9.90%
Loss on asset impairment - Memorial Hospital	0	0	0	0	303,518	63,613	(225,954)	22,419,809	0	303,518	0.00%
Shared services	0	0	0	0	0	0	0	0	0	0	0.00%
Restructuring costs	(336,043)	(461,280)	437,435	433,221	(336,043)	(461,280)	437,435	433,221	2,328,068	(2,664,111)	-53.85%
Restructuring costs - Memorial Hospital	(384,499)	0	0	1,554,719	(1,111,985)	597,098	5,116,448	2,579,269	0	(1,111,985)	0.00%
<b>Total operating expenses</b>	<b>286,075,165</b>	<b>274,490,903</b>	<b>267,481,814</b>	<b>286,188,343</b>	<b>289,678,735</b>	<b>277,870,498</b>	<b>278,590,939</b>	<b>311,847,008</b>	<b>300,548,359</b>	<b>(10,869,625)</b>	<b>-3.61%</b>
<b>Net income (loss) from operations</b>	<b>6,289,053</b>	<b>4,619,247</b>	<b>4,396,802</b>	<b>(8,665,847)</b>	<b>13,014,182</b>	<b>803,605</b>	<b>(7,038,843)</b>	<b>(33,656,314)</b>	<b>(708,593)</b>	<b>13,722,775</b>	<b>-52.77%</b>
<b>Nonoperating gains and (losses):</b>											
Unrestricted gifts & bequests	54,513	169,334	177,115	277,117	189,381	250,761	246,631	282,002	52,579	136,802	23.31%
Income on investments whose use is limited	767,213	762,822	661,254	1,099,335	767,213	762,822	661,304	1,099,369	748,143	19,070	2.02%
Gains on investments whose use is limited	1,495,694	2,330,866	2,718,347	1,977,678	1,495,694	2,330,866	2,718,209	1,977,742	2,967,506	(1,471,812)	-38.12%
Transfer to/from Parent	0	0	0	0	0	0	0	0	0	0	0.00%
Change in net unrealized gains and losses	3,239,525	(2,949,804)	(2,255,902)	4,004,257	3,239,525	(2,949,804)	(2,255,459)	4,004,368	4,504,722	(1,265,197)	-25.31%
Other components of current period pension expense	(758,692)	(758,693)	(758,690)	(818,912)	(758,692)	(758,693)	(758,690)	(675,796)	0	(758,692)	0.00%
Pension settlement	(1,550,728)	0	0	(29,545,276)	(1,550,728)	0	0	(29,545,276)	0	(1,550,728)	0.00%
Other	(440,564)	(434,667)	(197,026)	(437,611)	(440,563)	(434,667)	(197,026)	(437,611)	(415,359)	(25,204)	5.70%
<b>Net nonoperating gains</b>	<b>2,806,961</b>	<b>(880,142)</b>	<b>345,098</b>	<b>(23,243,412)</b>	<b>2,941,830</b>	<b>(798,715)</b>	<b>414,969</b>	<b>(23,295,202)</b>	<b>7,857,591</b>	<b>(4,915,761)</b>	<b>-49.42%</b>
<b>Excess of revenues and gains over expenses</b>	<b>9,096,014</b>	<b>3,739,106</b>	<b>4,741,900</b>	<b>(31,909,259)</b>	<b>15,956,012</b>	<b>4,890</b>	<b>(6,623,874)</b>	<b>(56,951,516)</b>	<b>7,148,998</b>	<b>8,807,014</b>	<b>-54.85%</b>
Pension adjustment	14,866,508	0	0	23,346,247	14,866,508	0	0	23,346,247	33,348,386	(18,481,878)	0.00%
Net assets released from restrictions	1,058,355	154,148	229,365	111,036	1,068,492	154,148	229,365	111,036	390,627	677,865	146.22%
Transfer (to) from temporarily restricted	(201,322)	0	0	0	874,820	0	0	0	(79,502)	954,322	0.00%
Memorial Hospital from the Obligated Group	135,788,879	0	0	0	0	0	0	0	0	0	0.00%
Other transfers	0	0	(70,122,853)	0	0	0	0	0	(476,834)	476,834	0.00%
<b>Increase (decrease) in unrestricted net assets</b>	<b>\$160,608,434</b>	<b>\$3,893,254</b>	<b>(\$65,151,588)</b>	<b>(\$8,451,976)</b>	<b>\$32,765,832</b>	<b>\$159,038</b>	<b>(\$6,394,509)</b>	<b>(\$33,494,233)</b>	<b>\$40,331,675</b>	<b>(\$7,565,843)</b>	<b>48.52%</b>
<b>Adjusted net income (loss) from operations:</b>											
Net income (loss) from operations	6,289,053	4,619,247	4,396,802	(8,665,847)	13,014,182	803,605	(7,038,843)	(33,656,314)	(708,593)	13,722,775	-52.77%
Less:											
Loss on asset impairment - Memorial Hospital	0	0	0	0	303,518	63,613	(225,954)	22,419,809	0	303,518	0.00%
Restructuring costs	(336,043)	(461,280)	437,435	433,221	(336,043)	(461,280)	437,435	433,221	2,328,068	(2,664,111)	-53.85%
Restructuring costs - Memorial Hospital	(384,499)	0	0	1,554,719	(1,111,985)	597,098	5,116,448	2,579,269	0	(1,111,985)	0.00%
Loss on refinancing	0	0	0	0	0	0	0	0	0	0	0.00%
Loss on write-off of intangible assets	0	0	0	0	0	0	0	0	0	0	0.00%
<b>Total one-time adjustments</b>	<b>(720,542)</b>	<b>(461,280)</b>	<b>437,435</b>	<b>1,987,940</b>	<b>(1,144,510)</b>	<b>199,431</b>	<b>5,327,929</b>	<b>25,432,299</b>	<b>2,328,068</b>	<b>(3,472,578)</b>	<b>-70.19%</b>
<b>Adjusted net income (loss) from operations</b>	<b>5,568,511</b>	<b>4,157,967</b>	<b>4,834,237</b>	<b>(6,677,907)</b>	<b>11,869,672</b>	<b>1,003,036</b>	<b>(1,710,914)</b>	<b>(8,224,015)</b>	<b>1,619,475</b>	<b>\$10,250,197</b>	<b>-48.68%</b>

¹ - excludes Memorial Hospital and affiliates beginning 12.22.17

Care New England - Obligated Group  
Combined Statement of Unrestricted Activities  
For the Twelve Months Ending September 30, 2018  
(Unaudited)

OBLIGATED GROUP

	Current YTD Actual	Current YTD Budget	Variance Actual to Budget	%	Current YTD Actual	Prior YTD Actual	Variance Actual to Actual	%
<b>Unrestricted revenues and gains:</b>								
Patient service revenue (net of contractual allowances)	\$1,041,163,916	\$1,034,950,509	\$6,213,407	0.60%	\$1,041,163,916	\$1,064,493,599	(23,329,683)	-2.19%
Less: Charity care	(12,651,584)	(11,389,903)	(1,261,681)	-11.08%	(12,651,584)	(15,344,305)	2,692,721	17.55%
Provision for bad debts	(33,162,556)	(29,693,241)	(3,469,315)	-11.68%	(33,162,556)	(39,205,589)	6,043,033	15.41%
Net patient service revenue less provision for bad debts	995,349,776	993,867,365	1,482,411	0.15%	995,349,776	1,009,943,705	(14,593,929)	-1.45%
Net assets released from restrictions	2,737,600	1,364,079	1,373,521	100.69%	2,737,600	3,808,702	(1,071,102)	-28.12%
Research revenue	31,085,760	29,691,123	1,394,637	4.70%	31,085,760	30,042,029	1,043,731	3.47%
Other revenue	90,511,174	92,771,691	(2,260,517)	-2.44%	90,511,174	88,838,517	1,672,657	1.88%
CNEMG subsidy revenue	1,191,170	2,222,755	(1,031,585)	-46.41%	1,191,170	0	1,191,170	0.00%
<b>Total revenues and gains</b>	<b>1,120,875,480</b>	<b>1,119,917,013</b>	<b>958,467</b>	<b>0.09%</b>	<b>1,120,875,480</b>	<b>1,132,632,953</b>	<b>(11,757,473)</b>	<b>-1.04%</b>
<b>Operating expenses:</b>								
Salaries and wages	520,005,908	524,444,869	4,438,961	0.85%	520,005,908	556,490,256	36,484,348	6.56%
Fringe benefits	155,978,855	157,504,427	1,525,572	0.97%	155,978,855	165,272,614	9,293,759	5.62%
Insurances	29,817,027	32,404,767	2,587,740	7.99%	29,817,027	26,332,984	(3,484,043)	-13.23%
Medical supplies and drugs	98,938,045	105,590,183	6,652,138	6.30%	98,938,045	104,308,406	5,370,361	5.15%
Other expenses	196,393,992	187,387,298	(9,006,694)	-4.81%	196,393,992	196,054,627	(339,365)	-0.17%
Research expenses	30,911,183	29,991,283	(919,900)	-3.07%	30,911,183	28,741,000	(2,170,183)	-7.55%
Licensure fee	43,324,038	43,324,038	0	0.00%	43,324,038	45,805,896	2,481,858	5.42%
Interest	7,975,581	8,325,749	350,168	4.21%	7,975,581	8,121,558	145,977	1.80%
Depreciation and amortization	29,648,043	32,104,708	2,456,665	7.65%	29,648,043	35,163,893	5,515,850	15.69%
Loss on asset impairment - Memorial Hospital	0	0	0	0.00%	0	0	0	0.00%
Restructuring costs	73,333	900,787	827,454	91.86%	73,333	11,475,705	11,402,372	99.36%
Restructuring costs - Memorial Hospital	1,170,220	0	(1,170,220)	0.00%	1,170,220	1,998,907	828,687	41.46%
<b>Total operating expenses</b>	<b>1,114,236,225</b>	<b>1,121,978,109</b>	<b>7,741,884</b>	<b>0.69%</b>	<b>1,114,236,225</b>	<b>1,179,765,846</b>	<b>65,529,621</b>	<b>5.55%</b>
<b>Net income (loss) from operations</b>	<b>6,639,255</b>	<b>(2,061,096)</b>	<b>8,700,351</b>	<b>422.12%</b>	<b>6,639,255</b>	<b>(47,132,893)</b>	<b>53,772,148</b>	<b>114.09%</b>
<b>Nonoperating gains and (losses):</b>								
Unrestricted gifts & bequests	678,079	447,415	230,664	51.55%	678,079	1,417,319	(739,240)	-52.16%
Income on investments whose use is limited	3,290,624	1,855,918	1,434,706	77.30%	3,290,624	2,811,602	479,022	17.04%
Gains (losses) on investments whose use is limited	8,522,585	12,938,448	(4,415,863)	-34.13%	8,522,585	12,881,952	(4,359,367)	-33.84%
Change in net unrealized gains (losses)	2,038,076	10,582,806	(8,544,730)	-80.74%	2,038,076	12,022,381	(9,984,305)	-83.05%
Other components of current period pension expense	(2,894,987)	0	(2,894,987)	0.00%	(2,894,987)	0	(2,894,987)	0.00%
Pension settlement	(31,096,004)	0	(31,096,004)	0.00%	(31,096,004)	0	(31,096,004)	0.00%
Other	(1,509,867)	(2,470,075)	960,208	38.87%	(1,509,867)	(1,926,512)	416,645	21.63%
<b>Net nonoperating gains (losses)</b>	<b>(20,971,494)</b>	<b>23,354,512</b>	<b>(44,326,006)</b>	<b>-189.80%</b>	<b>(20,971,494)</b>	<b>27,206,742</b>	<b>(48,178,236)</b>	<b>-177.08%</b>
<b>Excess (deficiency) of revenues and gains over expenses</b>	<b>(14,332,239)</b>	<b>21,293,416</b>	<b>(35,625,655)</b>	<b>-167.31%</b>	<b>(14,332,239)</b>	<b>(19,926,151)</b>	<b>5,593,912</b>	<b>28.07%</b>
Pension and post retirement adjustment	38,212,755	0	38,212,755	0.00%	38,212,755	33,348,386	4,864,369	14.59%
Net assets released from restrictions	1,552,904	4,279,265	(2,726,361)	-63.71%	1,552,904	2,414,223	(861,319)	-35.68%
Transfers	(70,122,853)	0	(70,122,853)	0.00%	(70,122,853)	0	(70,122,853)	0.00%
Transfer (to) from permanently restricted	0	0	0	0.00%	0	(38,105)	38,105	100.00%
Transfer (to) from temporarily restricted	(201,322)	0	(201,322)	0.00%	(201,322)	(79,502)	(121,820)	-153.23%
Transfer of net assets on 12/22/17 to remove Memorial Hospital from the Obligated Group	135,788,879	0	135,788,879	0.00%	135,788,879	0	135,788,879	0.00%
<b>Increase (decrease) in unrestricted net assets</b>	<b>\$90,898,124</b>	<b>\$25,572,681</b>	<b>\$65,325,443</b>	<b>255.45%</b>	<b>\$90,898,124</b>	<b>\$15,718,851</b>	<b>\$75,179,273</b>	<b>478.27%</b>

Care New England  
Combined Statement of Unrestricted Activities  
For the Twelve Months Ending September 30, 2018  
(Unaudited)

CONSOLIDATED

	Current YTD Actual	Current YTD Budget	Variance Actual to Budget	%	Current YTD Actual	Prior YTD Actual	Variance Actual to Actual	%
<b>Unrestricted revenues and gains:</b>								
Patient service revenue (net of contractual allowances)	\$1,053,453,699	\$1,032,170,232	\$21,283,467	2.06%	\$1,053,453,699	\$1,064,493,599	(11,039,900)	-1.04%
Less: Charity care	(13,238,694)	(11,618,033)	(1,620,661)	-13.95%	(13,238,694)	(15,344,305)	2,105,611	13.72%
Provision for bad debts	(33,001,502)	(29,424,464)	(3,577,038)	-12.16%	(33,001,502)	(39,205,589)	6,204,087	15.82%
Net patient service revenue less provision for bad debts	1,007,213,503	991,127,735	16,085,768	1.62%	1,007,213,503	1,009,943,705	(2,730,202)	-0.27%
Net assets released from restrictions	2,805,758	1,285,366	1,520,392	118.28%	2,805,758	3,808,702	(1,002,944)	-26.33%
Research revenue	34,229,401	30,764,681	3,464,720	11.26%	34,229,401	30,042,029	4,187,372	13.94%
Other revenue	86,961,148	85,311,126	1,650,022	1.93%	86,961,148	88,838,517	(1,877,369)	-2.11%
<b>Total revenues and gains</b>	<b>1,131,209,810</b>	<b>1,108,488,908</b>	<b>22,720,902</b>	<b>2.05%</b>	<b>1,131,209,810</b>	<b>1,132,632,953</b>	<b>(1,423,143)</b>	<b>-0.13%</b>
<b>Operating expenses:</b>								
Salaries and wages	522,026,939	526,473,431	4,446,492	0.84%	522,026,939	556,490,256	34,463,317	6.19%
Fringe benefits	157,019,563	158,450,986	1,431,423	0.90%	157,019,563	165,272,614	8,253,051	4.99%
Insurances	31,483,882	32,767,743	1,283,861	3.92%	31,483,882	26,332,984	(5,150,898)	-19.56%
Medical supplies and drugs	99,448,146	104,357,331	4,909,185	4.70%	99,448,146	104,308,406	4,860,260	4.66%
Other expenses	197,690,871	188,799,175	(8,891,696)	-4.71%	197,690,871	196,054,627	(1,636,244)	-0.83%
Research expenses	33,847,747	31,045,784	(2,801,963)	-9.03%	33,847,747	28,741,000	(5,106,747)	-17.77%
Licensure fee	48,725,820	48,725,820	0	0.00%	48,725,820	45,805,896	(2,919,924)	-6.37%
Interest	8,007,167	8,344,809	337,642	4.05%	8,007,167	8,121,558	114,391	1.41%
Depreciation and amortization	30,021,896	32,512,907	2,491,011	7.66%	30,021,896	35,163,893	5,141,997	14.62%
Loss on asset impairment - Memorial Hospital	22,560,986	22,419,809	(141,177)	-0.63%	22,560,986	0	(22,560,986)	0.00%
Restructuring costs	73,333	900,787	827,454	91.86%	73,333	11,475,705	11,402,372	99.36%
Restructuring costs - Memorial Hospital	7,180,830	7,798,107	617,277	7.92%	7,180,830	1,998,907	(5,181,923)	-259.24%
<b>Total operating expenses</b>	<b>1,158,087,180</b>	<b>1,162,596,689</b>	<b>4,509,509</b>	<b>0.39%</b>	<b>1,158,087,180</b>	<b>1,179,765,846</b>	<b>21,678,666</b>	<b>1.84%</b>
<b>Net income (loss) from operations</b>	<b>(26,877,370)</b>	<b>(54,107,781)</b>	<b>27,230,411</b>	<b>50.33%</b>	<b>(26,877,370)</b>	<b>(47,132,893)</b>	<b>20,255,523</b>	<b>42.98%</b>
<b>Nonoperating gains and (losses):</b>								
Unrestricted gifts & bequests	968,775	510,614	458,161	89.73%	968,775	1,417,319	(448,544)	-31.65%
Income on investments whose use is limited	3,290,708	1,855,964	1,434,744	77.30%	3,290,708	2,811,602	479,106	17.04%
Gains (losses) on investments whose use is limited	8,522,511	12,938,777	(4,416,266)	-34.13%	8,522,511	12,881,952	(4,359,441)	-33.84%
Change in net unrealized gains (losses)	2,038,630	10,583,025	(8,544,395)	-80.74%	2,038,630	12,022,381	(9,983,751)	-83.04%
Other components of current period pension expense	(2,951,871)	0	(2,951,871)	0.00%	(2,951,871)	0	(2,951,371)	0.00%
Pension settlement	(31,096,004)	0	(31,096,004)	0.00%	(31,096,004)	0	(31,096,004)	0.00%
Other	(1,509,867)	(2,470,075)	960,208	38.87%	(1,509,867)	(1,926,512)	416,645	21.63%
<b>Net nonoperating gains (losses)</b>	<b>(20,737,118)</b>	<b>23,418,305</b>	<b>(44,155,423)</b>	<b>-188.55%</b>	<b>(20,737,118)</b>	<b>27,206,742</b>	<b>(47,943,860)</b>	<b>-176.22%</b>
<b>Excess (deficiency) of revenues and gains over expenses</b>	<b>(47,614,488)</b>	<b>(30,689,476)</b>	<b>(16,925,012)</b>	<b>-55.15%</b>	<b>(47,614,488)</b>	<b>(19,926,151)</b>	<b>(27,688,337)</b>	<b>-138.95%</b>
Pension and post retirement adjustment	38,212,755	0	38,212,755	0.00%	38,212,755	33,348,386	4,864,369	14.59%
Net assets released from restrictions	1,563,041	4,331,344	(2,768,303)	-63.91%	1,563,041	2,414,223	(851,182)	-35.26%
Transfer (to) from permanently restricted	0	0	0	0.00%	0	(38,105)	38,105	100.00%
Transfer (to) from temporarily restricted	874,820	0	874,820	0.00%	874,820	(79,502)	954,322	1200.37%
<b>Increase (decrease) in unrestricted net assets</b>	<b>(\$6,963,872)</b>	<b>(\$26,358,132)</b>	<b>\$19,394,260</b>	<b>73.58%</b>	<b>(\$6,963,872)</b>	<b>\$15,718,851</b>	<b>(\$22,682,723)</b>	<b>-144.30%</b>

**Care New England**  
**Combined Statement of Unrestricted Activities**  
**For the Twelve Months Ending September 30, 2018**  
**(Unaudited)**

	OBLIGATED GROUP													
	Year to Date Actual													
	Butler	Kent	CNEMG	WIC	SHS¹	CNE	Integra	KCVNA²	TPC	Eliminations¹	Total Obligated Group	Memoria²	Eliminations²	Total Care New England
Revenues and gains														
Patient service revenue (net of contractals)	75,928,406	352,130,498	89,367,396	437,288,782	18,284,705	226,149	-	21,822,955	46,115,025	-	1,041,163,916	12,289,783	-	1,053,453,699
Charity care	(2,695,094)	(3,209,780)	(596,360)	(5,773,160)	(357,346)	-	-	(19,844)	-	-	(12,651,584)	(587,110)	-	(13,238,694)
Provision for bad debts	(1,871,992)	(15,789,592)	(5,679,227)	(8,377,589)	(1,532,138)	34,000	-	(146,018)	-	-	(33,182,556)	161,054	-	(33,001,502)
NPSR less provision for bad debts	71,561,320	333,131,126	83,091,809	423,138,033	16,395,221	260,149	-	21,657,093	46,115,025	-	995,349,776	11,863,727	-	1,007,213,503
Net assets released from restrictions	544,777	646,992	-	993,797	28,486	-	173,525	8,464	341,559	-	2,737,600	68,158	-	2,805,758
Research revenue	13,189,278	709,281	-	16,021,748	1,139,283	-	26,170	-	-	-	31,085,760	3,143,641	-	34,229,401
Other revenue	19,277,733	15,603,457	11,057,034	44,283,179	1,703,358	137,025,273	10,320,255	1,022,812	4,967,631	(154,749,558)	90,511,174	1,986,907	(5,536,933)	86,961,148
CNEMG subsidy revenue	-	-	51,378,385	-	-	-	-	-	-	(50,187,215)	1,191,170	-	(1,191,170)	-
Total revenues and gains	104,573,108	350,090,856	145,527,228	484,436,757	19,266,348	137,285,422	10,519,950	22,688,369	51,424,215	(204,936,773)	1,120,875,480	17,062,433	(6,728,103)	1,131,209,810
Operating expenses														
Salaries and wages	43,417,226	108,384,997	97,768,078	155,130,295	8,107,846	56,130,407	3,801,120	13,183,397	34,082,542	-	520,005,908	2,021,031	-	522,026,939
Fringe benefits	13,426,574	33,122,494	17,583,617	59,656,741	2,702,467	15,531,339	1,254,413	3,605,326	8,582,580	513,304	155,978,855	1,040,708	-	157,019,563
Insurances	2,802,413	16,044,664	2,916,549	10,515,212	349,752	301,655	96,048	237,161	658,842	(4,105,269)	29,817,027	1,666,855	-	31,483,882
Medical supplies and drugs	1,854,036	43,016,224	2,015,373	53,101,255	1,795,237	1,362	-	1,854,415	1,979	(4,701,836)	98,938,045	527,814	(17,713)	99,448,146
Other expenses	4,930,091	47,163,901	25,258,327	53,801,942	3,157,416	59,500,614	6,808,918	1,815,489	9,958,218	(16,000,924)	196,393,992	2,070,317	(773,438)	197,690,871
Research expenses	13,195,777	695,704	-	15,852,973	1,140,559	-	26,170	-	-	-	30,911,183	2,936,564	-	33,847,747
Licensure fee	-	17,439,439	-	24,333,223	1,551,376	-	-	-	-	-	43,324,038	5,401,782	-	48,725,820
Interest	934,953	1,605,800	-	3,040,460	225,886	1,808,228	-	690	359,564	-	7,975,581	31,586	-	8,007,167
Depreciation and amortization	3,417,611	7,477,871	-	9,775,320	1,037,601	6,785,847	-	137,348	1,016,445	-	29,648,043	373,853	-	30,021,896
Loss on asset impairment - MHRI	-	-	-	-	-	-	-	-	-	-	-	22,560,986	-	22,560,986
Shared services	13,603,759	46,300,383	-	65,334,087	3,516,625	-	250,001	1,249,982	199,997	(130,454,834)	-	4,745,782	(4,745,782)	-
Restructuring costs	(84,006)	152,764	(14,716)	(323,807)	-	369,825	-	(26,727)	-	-	73,333	-	-	73,333
Restructuring costs - MHRI	-	-	-	-	1,170,220	-	-	-	-	-	1,170,220	6,010,610	-	7,180,830
CNEMG subsidy expense	7,024,706	19,536,314	-	18,995,071	2,932,565	1,367,145	455,963	(124,550)	-	(50,187,214)	-	1,191,170	(1,191,170)	-
Total operating expenses	104,523,140	340,940,555	145,527,228	469,212,772	27,687,550	141,796,422	12,692,633	21,932,531	54,860,167	(204,936,773)	1,114,236,225	50,579,058	(6,728,103)	1,158,087,180
Net income (loss) from operations	49,968	9,150,301	-	15,223,985	(8,421,202)	(4,511,000)	(2,172,683)	755,838	(3,435,952)	-	6,639,255	(33,516,625)	-	(26,877,370)
Nonoperating gains/(losses)														
Unrestricted gifts & bequests	26,227	135,699	-	147,248	61,961	-	-	64,277	242,667	-	678,079	290,696	-	968,775
Income on investments whose use is limited	675,211	642,039	-	1,727,653	115	248,856	-	(3,250)	-	-	3,290,624	84	-	3,290,708
Gains/(losses) on invest. whose use is limited	313,635	1,416,768	-	6,181,896	1,068	564,613	-	44,605	-	-	8,522,585	(74)	-	8,522,511
Change in net unrealized gains/losses	340,504	735,061	-	971,776	(45)	(24,182)	-	14,962	-	-	2,038,076	554	-	2,038,630
Other components of current period pension	(157,872)	(287,158)	-	(135,797)	(472,140)	(1,817,299)	-	(24,721)	-	-	(2,894,987)	(56,884)	-	(2,951,871)
Pension settlement	(1,220,396)	(5,175,940)	-	(2,559,286)	(19,143,467)	(1,562,386)	-	(1,434,529)	-	-	(31,096,004)	-	-	(31,096,004)
Other	760	84,356	-	302,749	-	(1,836,050)	-	-	(61,682)	-	(1,509,867)	-	-	(1,509,867)
Net nonoperating gains/(losses)	(21,931)	(2,449,175)	-	6,636,239	(19,552,508)	(4,426,448)	-	(1,338,656)	180,985	-	(20,971,494)	234,376	-	(20,737,118)
Excess/(deficiency) of rev. over exp.	28,037	6,701,126	-	21,860,224	(27,973,710)	(8,937,448)	(2,172,683)	(582,818)	(3,254,967)	-	(14,332,239)	(33,282,249)	-	(47,614,488)
Other changes in unrestricted net assets														
Pension and post retirement adjustments	2,115,176	8,700,454	-	4,316,637	12,190,925	8,806,404	-	2,083,159	-	-	38,212,755	-	-	38,212,755
Net assets released from restrictions	8,812	916,235	-	479,051	-	-	-	-	148,806	-	1,552,904	10,137	-	1,563,041
Transfer (to) from temporarily restricted	-	-	-	(201,322)	-	-	-	-	-	-	(201,322)	1,076,142	-	874,820
Transfer (to) from permanently restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(772,409)	(70,122,853)	-	772,409	-	-	(70,122,853)	70,122,853	-	-
Transfer of net assets on 12/22/17 to remove Memorial Hospital from the Obligated Group	-	-	-	-	135,788,879	-	-	-	-	-	135,788,879	(135,788,879)	-	-
Incr./.(decr.) in unrestricted net assets	2,152,025	16,317,815	-	26,454,590	119,233,685	(70,263,897)	(2,172,683)	2,272,750	(3,106,161)	-	90,898,124	(97,861,996)	-	(6,963,872)

<sup>1</sup> - includes Southeastern Healthcare System, Inc. and affiliates from 10.1.17 through 12.21.17; Southeastern Healthcare System Inc., Blackstone Health, Inc., and Primary Care Centers of New England, Inc. beginning 12.22.17 through 6.30.18; and Southeastern Healthcare System, Inc. and Primary Care Centers of New England, Inc. beginning 7.1.18

<sup>2</sup> - includes The Memorial Hospital and affiliates beginning 12.22.17

<sup>3</sup> - effective 7.1.18, the operations of Blackstone Health, Inc. are included in KCVNA



**Care New England**  
**Combined Statement of Unrestricted Activities**  
**For the Twelve Months Ending September 30, 2018**  
**(Unaudited)**

	OBLIGATED GROUP													
	Year To Date Budget													
	Butler	Kent	CNEMG	WIC	SHS¹	CNE	Integra	KCVNA²	TPC	Eliminations³	Total Obligated Group	MemoriaP	Eliminations²	Total Care New England
Revenues and gains														
Patient service revenue (net of contractals)	76,186,245	348,515,015	82,502,265	429,176,107	24,697,059	188,988	-	22,172,746	51,512,084	-	1,034,950,509	(2,780,277)	-	1,032,170,232
Charity care	(3,493,512)	(2,286,888)	(300,570)	(5,096,011)	(180,831)	-	-	(32,091)	-	-	(11,389,903)	(228,130)	-	(11,618,033)
Provision for bad debts	(1,608,346)	(15,662,771)	(1,808,640)	(8,667,441)	(1,807,892)	-	-	(138,151)	-	-	(29,693,241)	268,777	-	(29,424,464)
NPSR less provision for bad debts	71,084,387	330,565,356	80,393,055	415,412,655	22,708,336	188,988	-	22,002,504	51,512,084	-	993,867,365	(2,739,630)	-	991,127,735
Net assets released from restrictions	411,108	194,196	-	130,000	119,537	-	173,334	-	335,904	-	1,364,079	(78,713)	-	1,285,366
Research revenue	13,038,778	339,215	-	15,370,870	942,260	-	-	-	-	-	29,691,123	1,073,558	-	30,764,681
Other revenue	18,648,757	14,596,901	10,332,735	42,779,230	1,612,079	140,293,075	9,776,952	1,026,613	5,192,497	(151,487,148)	92,771,691	618,791	(8,079,356)	85,311,126
CNEMG subsidy revenue	-	-	54,113,438	-	-	-	-	-	-	(51,890,683)	2,222,755	-	(2,222,755)	-
Total revenues and gains	103,183,030	345,695,668	144,839,228	473,692,755	25,382,212	140,482,063	9,950,286	23,029,117	57,040,485	(203,377,831)	1,119,917,013	(1,125,994)	(10,302,111)	1,108,488,908
Operating expenses														
Salaries and wages	42,735,925	109,510,587	100,771,809	152,286,324	9,602,035	54,132,656	3,585,522	12,750,075	39,069,936	-	524,444,869	2,028,562	-	526,473,431
Fringe benefits	13,305,423	35,774,250	17,094,986	59,266,971	2,984,419	15,130,048	939,994	3,639,286	9,369,050	-	157,504,427	946,559	-	158,450,986
Insurances	2,519,479	11,563,306	2,596,925	13,792,818	367,630	333,507	132,600	319,282	779,220	-	32,404,767	362,976	-	32,767,743
Medical supplies and drugs	1,680,053	44,234,818	2,288,618	51,963,579	3,244,502	6,826	-	2,165,068	6,719	-	105,590,183	(1,232,852)	-	104,357,331
Other expenses	6,222,984	45,432,988	22,086,890	49,772,602	4,306,264	60,642,446	6,912,712	1,942,274	10,322,245	(20,254,107)	187,387,298	1,411,877	-	188,799,175
Research expenses	13,038,779	339,785	-	15,653,673	959,046	-	-	-	-	-	29,991,283	1,054,501	-	31,045,784
Licensure fee	-	17,439,439	-	24,333,223	1,551,376	-	-	-	-	-	43,324,038	5,401,782	-	48,725,820
Interest	994,593	1,694,268	-	3,213,516	237,428	1,803,240	-	696	382,008	-	8,325,749	19,060	-	8,344,809
Depreciation and amortization	3,740,362	8,521,427	-	10,149,244	1,016,146	7,239,326	-	166,552	1,271,651	-	32,104,708	408,199	-	32,512,907
Loss on asset impairment - MHRI	-	-	-	-	-	-	-	-	-	-	-	22,419,809	-	22,419,809
Shared services	13,512,726	45,407,308	-	66,696,374	3,516,625	-	250,000	1,650,000	200,000	(131,233,033)	-	8,079,356	(8,079,356)	-
Restructuring costs	-	-	-	300,000	-	600,787	-	-	-	-	900,787	-	-	900,787
Restructuring costs - MHRI	-	-	-	-	-	-	-	-	-	-	-	7,798,107	-	7,798,107
CNEMG subsidy expense	4,737,745	21,446,970	-	21,020,795	3,321,157	928,553	562,453	(126,982)	-	(51,890,691)	-	2,222,755	(2,222,755)	-
Total operating expenses	102,488,069	341,365,146	144,839,228	468,449,119	31,106,628	140,817,389	12,383,281	22,506,251	61,400,829	(203,377,831)	1,121,978,109	50,920,691	(10,302,111)	1,162,596,689
Net income (loss) from operations	694,961	4,330,522	-	5,243,636	(5,724,416)	(335,326)	(2,432,995)	522,866	(4,360,344)	-	(2,061,096)	(52,046,685)	-	(54,107,781)
Nonoperating gains/(losses)														
Unrestricted gifts & bequests	30,397	67,069	-	(250,183)	72,854	-	-	237,275	290,003	-	447,415	63,199	-	510,614
Income on investments whose use is limited	661,161	182,414	-	869,347	54	147,214	-	(4,272)	-	-	1,855,918	46	-	1,855,964
Gains/(losses) on invest, whose use is limited	389,405	3,503,965	-	8,283,099	379	767,117	-	(5,517)	-	-	12,938,448	329	-	12,938,777
Change in net unrealized gains/losses	685,294	2,061,499	-	7,669,028	253	45,451	-	121,281	-	-	10,582,806	219	-	10,583,025
Other components of current period pension	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	(2,390,072)	-	-	(80,003)	-	(2,470,075)	-	-	(2,470,075)
Net nonoperating gains/(losses)	1,766,257	5,814,947	-	16,571,291	73,540	(1,430,290)	-	348,767	210,000	-	23,354,512	63,793	-	23,418,305
Excess/(deficiency) of rev. over exp.	2,461,218	10,145,469	-	21,814,927	(5,650,876)	(1,765,616)	(2,432,995)	871,633	(4,150,344)	-	21,293,416	(51,982,892)	-	(30,689,476)
Other changes in unrestricted net assets														
Pension and post retirement adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	28,635	3,738,555	-	452,039	60,036	-	-	-	-	-	4,279,265	52,079	-	4,331,344
Transfer (to) from temporarily restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer (to) from permanently restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of net assets on 12/22/17 to remove Memorial Hospital from the Obligated Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incr./[decr.] in unrestricted net assets	2,489,853	13,884,024	-	22,266,966	(5,590,840)	(1,765,616)	(2,432,995)	871,633	(4,150,344)	-	25,572,681	(51,930,813)	-	(26,358,132)

<sup>1</sup> - includes Southeastern Healthcare System, Inc. and affiliates from 10.1.17 through 12.21.17; Southeastern Healthcare System Inc., Blackstone Health, Inc., and Primary Care Centers of New England, Inc. beginning 12.22.17 through 6.30.18; and Southeastern Healthcare System, Inc. and Primary Care Centers of New England, Inc. beginning 7.1.18

<sup>2</sup> - includes The Memorial Hospital and affiliates beginning 12.22.17

<sup>3</sup> - effective 7.1.18, the operations of Blackstone Health, Inc. are included in KCVNA

**Care New England**  
**Combined Statement of Unrestricted Activities**  
**For the Twelve Months Ending September 30, 2018**  
**(Unaudited)**

	OBLIGATED GROUP													
	Prior Year To Date Actual													
	Butler	Kent	CNEMG	WIC	SHS	CNE	Integra	KCVNA	TPC	Eliminations	Total Obligated Group	Memorial	Eliminations	Total Care New England
Revenues and gains														
Patient service revenue (net of contractuals)	76,968,554	304,687,469	79,559,581	417,236,324	116,446,170	177,032	-	21,332,365	48,086,104	-	1,064,493,599	-	-	1,064,493,599
Charity care	(3,436,358)	(2,995,191)	(512,043)	(5,213,908)	(3,133,044)	-	-	(53,761)	-	-	(15,344,305)	-	-	(15,344,305)
Provision for bad debts	(1,623,586)	(15,521,409)	(4,790,727)	(9,183,626)	(7,825,716)	(34,000)	-	(226,545)	-	-	(39,205,589)	-	-	(39,205,589)
NPSR less provision for bad debts	71,908,630	286,170,869	74,256,811	402,838,790	105,487,410	143,032	-	21,052,059	48,086,104	-	1,009,943,705	-	-	1,009,943,705
Net assets released from restrictions	544,560	432,319	-	1,209,354	639,243	-	173,334	7,876	802,016	-	3,808,702	-	-	3,808,702
Research revenue	13,395,650	47,299	-	13,094,449	3,504,631	-	-	-	-	-	30,042,029	-	-	30,042,029
Other revenue	18,366,616	12,701,869	9,434,630	45,634,143	5,469,588	136,203,680	8,529,136	759,953	7,251,291	(155,512,389)	88,838,517	-	-	88,838,517
CNEMG subsidy revenue	-	-	59,524,655	-	-	-	-	-	-	(59,524,655)	-	-	-	-
Total revenues and gains	104,215,456	299,352,356	143,216,096	462,776,736	115,100,872	136,346,712	8,702,470	21,819,888	56,139,411	(215,037,044)	1,132,632,953	-	-	1,132,632,953
Operating expenses														
Salaries and wages	44,885,748	101,036,927	96,943,120	163,223,324	41,301,555	57,157,113	3,511,001	13,205,484	35,235,000	(9,016)	556,490,256	-	-	556,490,256
Fringe benefits	13,427,785	30,254,111	16,854,948	60,163,251	14,852,502	16,594,604	938,538	3,654,305	8,077,016	455,554	165,272,614	-	-	165,272,614
Insurances	2,850,641	7,750,415	2,813,134	12,306,187	1,717,737	234,796	136,702	331,948	723,140	(2,531,716)	26,332,984	-	-	26,332,984
Medical supplies and drugs	2,022,148	37,657,176	2,026,643	48,329,981	14,861,275	4,274	-	2,102,882	4,829	(2,700,802)	104,308,406	-	-	104,308,406
Other expenses	5,139,736	39,362,521	24,506,163	53,442,317	16,381,301	53,819,938	6,779,808	1,592,681	10,498,289	(15,468,127)	196,054,627	-	-	196,054,627
Research expenses	13,234,148	46,224	-	12,568,246	2,892,382	-	-	-	-	-	28,741,000	-	-	28,741,000
Licensure fee	-	16,618,054	-	22,360,880	6,826,962	-	-	-	-	-	45,805,896	-	-	45,805,896
Interest	952,394	1,624,535	-	3,077,128	1,018,789	1,083,292	-	697	364,723	-	8,121,558	-	-	8,121,558
Depreciation and amortization	3,653,805	8,607,114	-	10,135,823	4,558,561	6,969,735	-	158,847	1,080,008	-	35,163,893	-	-	35,163,893
Loss on asset impairment - MHRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shared services	13,724,920	40,137,160	-	62,790,161	16,506,041	-	250,000	1,650,000	200,000	(135,258,282)	-	-	-	-
Restructuring costs	479,981	476,811	72,088	1,108,362	-	9,232,741	-	105,722	-	-	11,475,705	-	-	11,475,705
Restructuring costs - MHRI	-	-	-	-	1,998,907	-	-	-	-	-	1,998,907	-	-	1,998,907
CNEMG subsidy expense	6,640,703	19,543,960	-	17,884,468	13,649,433	1,408,866	506,031	(108,806)	-	(59,524,655)	-	-	-	-
Total operating expenses	107,012,009	303,115,008	143,216,096	467,390,128	136,565,445	146,505,359	12,122,080	22,693,760	56,183,005	(215,037,044)	1,179,765,846	-	-	1,179,765,846
Net income (loss) from operations	(2,796,553)	(3,762,652)	-	(4,613,392)	(21,464,573)	(10,158,647)	(3,419,610)	(873,872)	(43,594)	-	(47,132,893)	-	-	(47,132,893)
Nonoperating gains/(losses)														
Unrestricted gifts & bequests	30,043	48,172	-	493,325	384,787	13,189	-	140,430	307,373	-	1,417,319	-	-	1,417,319
Income on investments whose use is limited	672,151	463,462	-	1,527,936	21,447	118,403	-	8,203	-	-	2,811,602	-	-	2,811,602
Gains/(losses) on invest. whose use is limited	494,288	2,944,762	-	8,634,456	248,715	519,232	-	40,499	-	-	12,881,952	-	-	12,881,952
Change in net unrealized gains/losses	400,189	2,931,170	-	8,480,289	140,454	16,032	-	54,247	-	-	12,022,381	-	-	12,022,381
Other components of current period pension	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	294	16,632	-	92,673	-	(1,969,856)	11	-	(66,266)	-	(1,926,512)	-	-	(1,926,512)
Net nonoperating gains/(losses)	1,596,965	6,404,198	-	19,228,679	795,403	(1,303,000)	11	243,379	241,107	-	27,206,742	-	-	27,206,742
Excess/(deficiency) of rev. over exp.	(1,199,588)	2,641,546	-	14,615,287	(20,669,170)	(11,461,647)	(3,419,599)	(630,493)	197,513	-	(19,926,151)	-	-	(19,926,151)
Other changes in unrestricted net assets														
Pension and post retirement adjustments	6,239,721	9,533,606	-	5,574,929	6,637,357	2,550,985	-	2,811,788	-	-	33,348,386	-	-	33,348,386
Net assets released from restrictions	274,444	1,345,784	-	321,562	156,956	-	-	-	315,477	-	2,414,223	-	-	2,414,223
Transfer (to) from temporarily restricted	-	-	-	-	(79,502)	-	-	-	-	-	(79,502)	-	-	(79,502)
Transfer (to) from permanently restricted	(38,105)	-	-	-	-	-	-	-	-	-	(38,105)	-	-	(38,105)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of net assets on 12/22/17 to remove Memorial Hospital from the Obligated Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incr./ (decr.) in unrestricted net assets	5,276,472	13,520,936	-	20,511,778	(13,954,359)	(8,910,662)	(3,419,599)	2,181,295	512,990	-	15,718,851	-	-	15,718,851

**Care New England**  
**Combined Statement of Unrestricted Activities**  
**For the Twelve Months Ending September 30, 2018**  
**(Unaudited)**

	OBLIGATED GROUP													
	Variance Actual Vs Budget													
	Butler	Kent	CNEMG	WIC	SHS¹	CNE	Integra	KCVNA¹	TPC	Eliminations²	Total Obligated Group	Memorial³	Eliminations³	Total Care New England
Revenues and gains														
Patient service revenue (net of contractuals)	(257,839)	3,615,483	6,865,131	8,112,675	(6,412,354)	37,161	-	(349,791)	(5,397,059)	-	6,213,407	15,070,060	-	21,283,467
Charity care	798,418	(922,892)	(295,790)	(677,149)	(176,515)	-	-	12,247	-	-	(1,261,681)	(358,980)	-	(1,620,661)
Provision for bad debts	(63,646)	(126,621)	(3,870,587)	289,852	275,754	34,000	-	(7,867)	-	-	(3,469,315)	(107,723)	-	(3,577,038)
NPSR less provision for bad debts	476,933	2,565,770	2,698,754	7,725,378	(6,313,115)	71,161	-	(345,411)	(5,397,059)	-	1,482,411	14,603,357	-	16,085,768
Net assets released from restrictions	133,669	452,796	-	863,797	(91,051)	-	191	8,464	5,655	-	1,373,521	146,871	-	1,520,392
Research revenue	150,500	370,066	-	650,878	197,023	-	26,170	-	-	-	1,394,637	2,070,083	-	3,464,720
Other revenue	628,976	1,006,556	724,299	1,503,949	91,279	(3,267,802)	543,303	(3,801)	(224,866)	(3,262,410)	(2,260,517)	1,368,116	2,542,423	1,650,022
CNEMG subsidy revenue	-	-	(2,735,053)	-	-	-	-	-	-	1,703,468	(1,031,585)	-	1,031,585	-
Total revenues and gains	1,390,078	4,395,188	688,000	10,744,002	(6,115,864)	(3,196,641)	569,664	(340,748)	(5,616,270)	(1,558,942)	958,467	18,188,427	3,574,008	22,720,902
Operating expenses														
Salaries and wages	681,301	(1,125,590)	(3,003,731)	2,843,971	(1,494,189)	1,997,751	215,598	433,322	(4,987,394)	-	(4,438,961)	(7,531)	-	(4,446,492)
Fringe benefits	121,151	(2,651,756)	488,631	389,770	(281,952)	401,291	314,419	(33,960)	(786,470)	513,304	(1,525,572)	94,149	-	(1,431,423)
Insurances	282,934	4,481,358	319,624	(3,277,606)	(17,878)	(31,852)	(36,552)	(82,121)	(120,378)	(4,105,269)	(2,587,740)	1,303,879	-	(1,283,861)
Medical supplies and drugs	173,983	(1,218,594)	(273,245)	1,137,676	(1,449,265)	(5,464)	-	(310,653)	(4,740)	(4,701,836)	(6,652,138)	1,760,666	(17,713)	(4,909,185)
Other expenses	(1,292,893)	1,730,913	3,171,437	4,029,340	(1,148,848)	(1,141,832)	(103,794)	(126,785)	(364,027)	4,253,183	9,006,694	658,440	(773,438)	8,891,696
Research expenses	156,998	355,919	-	199,300	181,513	-	26,170	-	-	-	919,900	1,882,063	-	2,801,963
Licensure fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	(59,640)	(88,468)	-	(173,056)	(11,542)	4,988	-	(6)	(22,444)	-	(350,168)	12,526	-	(337,642)
Depreciation and amortization	(322,751)	(1,043,556)	-	(373,924)	21,455	(453,479)	-	(29,204)	(255,206)	-	(2,456,665)	(34,346)	-	(2,491,011)
Loss on asset impairment - MHRI	-	-	-	-	-	-	-	-	-	-	-	141,177	-	141,177
Shared services	91,033	893,075	-	(1,362,287)	-	-	-	(400,018)	(3)	778,199	-	(3,333,574)	3,333,574	-
Restructuring costs	(84,006)	152,764	(14,716)	(623,807)	-	(230,962)	-	(26,727)	-	-	(827,454)	-	-	(827,454)
Restructuring costs - MHRI	-	-	-	-	1,170,220	-	-	-	-	-	1,170,220	(1,787,497)	-	(617,277)
CNEMG subsidy expense	2,286,961	(1,910,656)	-	(2,025,724)	(388,592)	438,592	(106,490)	2,432	-	1,703,477	-	(1,031,585)	1,031,585	-
Total operating expenses	2,035,071	(424,591)	688,000	763,653	(3,419,078)	979,033	309,352	(573,720)	(6,540,662)	(1,558,942)	(7,741,884)	(341,633)	3,574,008	(4,509,509)
Net income (loss) from operations	(644,993)	4,819,779	-	9,980,349	(2,696,786)	(4,175,674)	260,312	232,972	924,392	-	8,700,351	18,530,060	-	27,230,411
Nonoperating gains/(losses)														
Unrestricted gifts & bequests	(4,170)	68,630	-	397,431	(10,893)	-	-	(172,998)	(47,336)	-	230,664	227,497	-	458,161
Income on investments whose use is limited	14,050	459,625	-	858,306	61	101,642	-	1,022	-	-	1,434,706	38	-	1,434,744
Gains/(losses) on invest. whose use is limited	(75,770)	(2,087,197)	-	(2,101,203)	689	(202,504)	-	50,122	-	-	(4,415,863)	(403)	-	(4,416,266)
Change in net unrealized gains/losses	(344,790)	(1,326,438)	-	(6,697,252)	(298)	(69,633)	-	(106,319)	-	-	(8,544,730)	335	-	(8,544,395)
Other components of current period pension	(157,872)	(287,158)	-	(135,797)	(472,140)	(1,817,299)	-	(24,721)	-	-	(2,894,987)	(56,884)	-	(2,951,871)
Pension settlement	(1,220,396)	(5,175,940)	-	(2,559,286)	(19,143,467)	(1,562,386)	-	(1,434,529)	-	-	(31,096,004)	-	-	(31,096,004)
Other	760	84,356	-	302,749	-	554,022	-	-	18,321	-	960,208	-	-	960,208
Net nonoperating gains/(losses)	(1,788,188)	(8,264,122)	-	(9,935,052)	(19,626,048)	(2,996,158)	-	(1,687,423)	(29,015)	-	(44,326,006)	170,583	-	(44,155,423)
Excess/(deficiency) of rev. over exp.	(2,433,181)	(3,444,343)	-	45,297	(22,322,834)	(7,171,832)	260,312	(1,454,451)	895,377	-	(35,625,655)	18,700,643	-	(16,925,012)
Other changes in unrestricted net assets														
Pension and post retirement adjustments	2,115,176	8,700,454	-	4,316,637	12,190,925	8,806,404	-	2,083,159	-	-	38,212,755	-	-	38,212,755
Net assets released from restrictions	(19,823)	(2,822,320)	-	27,012	(60,036)	-	-	-	148,806	-	(2,726,361)	(41,942)	-	(2,768,303)
Transfer (to) from temporarily restricted	-	-	-	(201,322)	-	-	-	-	-	-	(201,322)	1,076,142	-	874,820
Transfer (to) from permanently restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(772,409)	(70,122,853)	-	772,409	-	-	(70,122,853)	70,122,853	-	-
Transfer of net assets on 12/22/17 to remove Memorial Hospital from the Obligated Group	-	-	-	-	135,788,879	-	-	-	-	-	135,788,879	(135,788,879)	-	-
Incr./(decr.) in unrestricted net assets	(337,828)	2,433,791	-	4,187,624	124,824,525	(68,488,281)	260,312	1,401,117	1,044,183	-	85,325,443	(45,931,183)	-	19,394,260

<sup>1</sup> - Includes Southeastern Healthcare System, Inc. and affiliates from 10.1.17 through 12.21.17; Southeastern Healthcare System Inc., Blackstone Health, Inc., and Primary Care Centers of New England, Inc. beginning 12.22.17 through 6.30.18; and Southeastern Healthcare System, Inc. and Primary Care Centers of New England, Inc. beginning 7.1.18

<sup>2</sup> - Includes The Memorial Hospital and affiliates beginning 12.22.17

<sup>3</sup> - effective 7.1.18, the operations of Blackstone Health, Inc. are included in KCVNA

Care New England  
Combined Statement of Unrestricted Activities  
For the Twelve Months Ending September 30, 2018  
(Unaudited)

OBLIGATED GROUP														
Variance Current Actual Vs Prior Actual														
Butler	Kent	CNEMG	WIC	SHS¹	CNE	Integra	KCVNA²	TPC	Eliminations³	Total Obligated Group	Memorial²	Eliminations³	Total Care New England	
(1,040,148)	47,443,029	9,807,815	20,052,458	(98,161,465)	49,117	-	490,590	(1,971,079)	-	(23,329,683)	12,289,783	-	(11,039,900)	
741,264	(214,589)	(84,317)	(559,252)	2,775,698	-	-	33,917	-	-	2,692,721	(587,110)	-	2,105,611	
(48,426)	(268,183)	(888,500)	806,037	6,293,578	68,000	-	80,527	-	-	6,043,033	161,054	-	6,204,087	
(347,310)	46,960,257	8,834,998	20,299,243	(89,092,189)	117,117	-	605,034	(1,971,079)	-	(14,593,929)	11,863,727	-	(2,730,202)	
217	214,673	-	(215,557)	(610,757)	-	191	588	(460,457)	-	(1,071,102)	68,158	-	(1,002,944)	
(206,372)	661,982	-	2,927,299	(2,365,348)	-	26,170	-	-	-	1,043,731	3,143,641	-	4,187,372	
911,117	2,901,588	1,622,404	(1,350,964)	(3,766,230)	821,593	1,791,119	262,859	(2,283,660)	762,831	1,672,657	1,986,907	(5,536,933)	(1,877,369)	
-	-	(8,146,270)	-	-	-	-	-	-	9,337,440	1,191,170	-	(1,191,170)	-	
357,652	50,738,500	2,311,132	21,660,021	(95,834,524)	938,710	1,817,480	868,481	(4,715,196)	10,100,271	(11,757,473)	17,062,433	(6,728,103)	(1,423,143)	
(1,468,522)	7,348,070	824,958	(8,093,029)	(33,193,709)	(1,026,706)	290,119	(22,087)	(1,152,458)	9,016	(36,484,348)	2,021,031	-	(34,463,317)	
(1,211)	2,868,383	728,669	(506,510)	(12,150,035)	(1,063,265)	315,875	(48,979)	505,564	57,750	(9,293,759)	1,040,708	-	(8,253,051)	
(48,228)	8,294,249	103,415	(1,790,975)	(1,367,985)	66,859	(40,654)	(94,787)	(64,298)	(1,573,553)	3,484,043	1,666,855	-	5,150,898	
(168,112)	5,359,048	(11,270)	4,771,274	(13,066,038)	(2,912)	-	(248,467)	(2,850)	(2,001,034)	(5,370,361)	527,814	(17,713)	(4,860,260)	
(209,645)	7,801,380	752,164	359,625	(13,223,885)	5,680,676	29,110	222,808	(540,071)	(532,797)	339,365	2,070,317	(773,438)	1,636,244	
(38,371)	649,480	-	3,284,727	(1,751,823)	-	26,170	-	-	-	2,170,183	2,936,564	-	5,106,747	
-	821,385	-	1,972,343	(5,275,586)	-	-	-	-	-	(2,481,858)	5,401,782	-	2,919,924	
(17,441)	(18,735)	-	(36,668)	(792,903)	724,936	-	(7)	(6,159)	-	(145,977)	31,586	-	(114,391)	
(236,194)	(1,129,243)	-	(360,503)	(3,520,960)	(183,888)	-	(21,499)	(63,563)	-	(5,515,850)	373,853	-	(5,141,997)	
-	-	-	-	-	-	-	-	-	-	-	22,560,986	-	22,560,986	
(121,161)	6,163,223	-	2,543,926	(12,989,416)	-	1	(400,018)	(3)	4,803,448	-	4,745,782	(4,745,782)	-	
(563,987)	(324,047)	(86,804)	(1,432,169)	-	(8,862,916)	-	(132,449)	-	-	(11,402,372)	-	-	(11,402,372)	
-	-	-	(828,687)	-	-	-	-	-	-	(828,687)	6,010,610	-	5,181,923	
384,003	(7,646)	-	1,110,603	(10,716,868)	(41,721)	(50,068)	(15,744)	-	9,337,441	-	1,191,170	(1,191,170)	-	
(2,488,869)	37,825,547	2,311,132	1,822,644	(108,877,895)	(4,708,937)	570,553	(761,229)	(1,322,838)	10,100,271	(65,529,621)	50,579,058	(6,728,103)	(21,678,666)	
2,846,521	12,912,953	-	19,837,377	13,043,371	5,647,647	1,246,927	1,629,710	(3,392,358)	-	53,772,148	(33,516,625)	-	20,255,523	
(3,816)	87,527	-	(346,077)	(322,826)	(13,189)	-	(76,153)	(64,706)	-	(739,240)	290,696	-	(448,544)	
3,060	178,577	-	199,717	(21,332)	130,453	-	(11,453)	-	-	479,022	84	-	479,106	
(180,653)	(1,527,994)	-	(2,452,560)	(247,647)	45,381	-	4,106	-	-	(4,359,367)	(74)	-	(4,359,441)	
(59,685)	(2,196,109)	-	(7,508,513)	(140,499)	(40,214)	-	(39,285)	-	-	(9,984,305)	554	-	(9,983,751)	
(157,872)	(287,158)	-	(135,797)	(472,140)	(1,817,299)	-	(24,721)	-	-	(2,894,987)	(56,884)	-	(2,951,871)	
(1,220,396)	(5,175,940)	-	(2,559,286)	(19,143,467)	(1,562,386)	-	(1,434,529)	-	-	(31,096,004)	-	-	(31,096,004)	
466	67,724	-	210,076	-	133,806	(11)	-	4,584	-	416,645	-	-	416,645	
(1,618,896)	(8,853,373)	-	(12,592,440)	(20,347,911)	(3,123,448)	(11)	(1,582,035)	(60,122)	-	(48,178,236)	234,376	-	(47,943,860)	
1,227,625	4,059,580	-	7,244,937	(7,304,540)	2,524,199	1,246,916	47,675	(3,452,480)	-	5,593,912	(33,282,249)	-	(27,688,337)	
(4,124,545)	(833,152)	-	(1,258,292)	5,553,568	6,255,419	-	(728,629)	-	-	4,864,369	-	-	4,864,369	
(265,632)	(429,549)	-	157,489	(156,956)	-	-	-	(166,671)	-	(861,319)	10,137	-	(851,182)	
-	-	-	(201,322)	79,502	-	-	-	-	-	(121,820)	1,076,142	-	954,322	
38,105	-	-	-	-	-	-	-	-	-	38,105	-	-	38,105	
-	-	-	-	(772,409)	(70,122,853)	-	772,409	-	-	(70,122,853)	70,122,853	-	-	
-	-	-	-	135,788,879	-	-	-	-	-	135,788,879	(135,788,879)	-	-	
(3,124,447)	2,796,879	-	5,942,812	133,188,044	(61,343,235)	1,246,916	91,455	(3,619,151)	-	75,179,273	(97,861,996)	-	(22,682,723)	

<sup>1</sup> - includes Southeastern Healthcare System, Inc. and affiliates from 10.1.17 through 12.21.17; Southeastern Healthcare System Inc., Blackstone Health, Inc., and Primary Care Centers of New England, Inc. beginning 12.22.17 through 6.30.18; and Southeastern Healthcare System, Inc. and Primary Care Centers of New England, Inc. beginning 7.1.18

<sup>2</sup> - includes The Memorial Hospital and affiliates beginning 12.22.17

<sup>3</sup> - effective 7.1.18, the operations of Blackstone Health, Inc. are included in KCVNA

**Care New England**  
**Combined Statement of Operating Activities**  
**For the Twelve Months Ending September 30, 2018**  
**(Unaudited)**

	<b>Consolidated YTD Actual</b>	<b>Less: WIH &amp; TG Indemnity</b>	<b>All Other Operating Activity</b>
<b>Unrestricted revenues and gains:</b>			
Net patient service revenue less provision for bad debts	\$1,007,213,503		\$1,007,213,503
Net assets released from restrictions	2,805,758		2,805,758
Research revenue	34,229,401		34,229,401
Other revenue	86,961,148	23,361,499	63,599,649
<b>Total revenues and gains</b>	<b>\$1,131,209,810</b>	<b>\$23,361,499</b>	<b>\$1,107,848,311</b>
<b>Operating expenses:</b>			
Salaries and wages	522,026,939	-	522,026,939
Fringe benefits	157,019,563	-	157,019,563
Insurances	31,483,882	20,150,303	11,333,579
Medical supplies and drugs	99,448,146	-	99,448,146
Other expenses	197,690,871	2,923,063	194,767,808
Research expenses	33,847,747		33,847,747
Licensure fee	48,725,820		48,725,820
Interest	8,007,167		8,007,167
Depreciation and amortization	30,021,896		30,021,896
Loss on asset impairment - Memorial Hospital	22,560,986		22,560,986
Restructuring costs	73,333		73,333
Restructuring costs - Memorial Hospital	7,180,830		7,180,830
<b>Total operating expenses</b>	<b>\$1,158,087,180</b>	<b>\$23,073,366</b>	<b>\$1,135,013,814</b>
<b>Net Income (loss) from operations</b>	<b>(\$26,877,370)</b>	<b>\$288,133</b>	<b>(\$27,165,503)</b>
<b>Year-to-date budget</b>	<b>(\$54,107,781)</b>	<b>(\$720,312)</b>	<b>(\$53,387,469)</b>
<b>Fav (Unfav) to budget</b>	<b>\$27,230,411</b>	<b>\$1,008,445</b>	<b>\$26,221,966</b>

## Care New England Health System Key Budget Assumptions – FY2018 – Q4

### 1. Patient Volumes

**Comment:** The FY2018 CNE budget is predicated on the current economic and political environment that is driving a transition from a traditional fee-for-service reimbursement system that incents volume to one that rewards providers for efficiency and quality outcomes. Maintaining and/or growing volume in areas with positive contribution margins remains an absolutely critical aspect to the financial strength of CNE during this period of change.

**Budget Impact:** To the extent that actual patient volume varies from the budgeted levels, significant variances to budget are likely to result. The Care New England Financial Highlights dashboard (see Tab 1) identifies key indicators for inpatient volume (surgical/medical, OB, NICU and Psych admissions, operating room cases and deliveries) and outpatient volume (ambulatory surgery, ER encounters, diagnostic imaging, observation cases, TPC residential days and home health/hospice).

**4th Quarter Update:** Inpatient volume for the System (excluding Memorial) through the fourth quarter was overall unfavorable to budget by 661 discharges or 1.6% and ahead of prior year-to-date volume by 148 or 0.4%. The negative variance is attributable entirely to variances in Psychiatry volume which is 1,259 discharges or 13.1% below budget at Butler. Year-to-date Medical/Surgical discharges were above budget by 300 or 2.4% and 679 discharges or 5.6% above the same prior year period, attributable entirely to strong volume at Kent, indicating that initiatives to improve volume are working. Discharges for the Obstetrics services were above budget by 152 or 1.5%. OB deliveries were above budget by 120 or 1.3% and above prior year by 17 or 0.2%. NICU volume at Women & Infants was 59 discharges or 5.7% over budget for the twelve months ended September 2018 and by 32 discharges or 3.0% for the same prior year period. The Special Care Nursery at Kent ended the fourth quarter above both budget and prior year by 7 discharges, or 11.7%. Rehab discharges were above budget by 65 or 19.2% and prior year by 47 or 13.2%. Overall, patient day volume fell short of budget by 2.3%. Medical/Surgical days are below budget by 4,762 or 8.5% and average length of stay for the twelve months ended September 2018 was 4.0 days, below budget and prior year by nearly a half day. Psych days, inclusive of the Kent Unit at Butler, were below budget by 1,870 or 3.1% and below prior year days by 2,217 or 3.6%. Average length of stay for inpatient psychiatric services was 7.0 days for the quarter ended September 30, 2018, above budget of 6.3 days and prior year length of stay in the same period of 6.8 days. NICU average daily census (ADC) ended the quarter at 65.5, 1.4 days, or 2.2% ahead of budget, and 2.4 days or 3.9% ahead of the same period in FY2017. Through September, NICU average length of stay is 21.8 days, below budget by 0.8 or 3.3% and above prior year by 0.2 day or 0.8%. Approximately half of all NICU reimbursement is based on per diem contracts. Inpatient surgical procedures are 241 cases, or 6.6% below budget through September and 111 cases, or 3.4% ahead of the same prior year period.

Outpatient performance to budget was mixed through September. Unfavorable budget variances occurred in emergency room visits, outpatient surgery, blood bank, diagnostic imaging, ultrasound, nuclear medicine, breast health center, vascular lab tests, sleep studies, wound care and hyperbaric procedures, the women's primary care clinic, and ECT. Favorable variances were experienced in observation cases, partial hospital days, endoscopy, laboratory tests, MRI, CT scan, special procedures, mammography, cardiac catheterization, EKG testing, EEG, echocardiology, physical, occupational and speech therapy, infusion therapy, IVF, and psychiatric patient assessments.

See also Tab 10 – Patient Statistics.



Action plan initiatives developed and implemented in Q4 of FY2017 target volume improvements at all operating units, particularly Kent Hospital. Through the fourth quarter of FY 2018, Kent has realized significant improvement in cardiology and surgical volume as well as in key ancillary services. See item 4 below Financial Improvement Action Plan, for more detail.

Year-to-date September 2018 case mix has increased from FY2017 levels at Kent Hospital from 1.36 to 1.39, indicative of a relatively greater number of higher intensity cases of a percentage of total discharges. Case mix at Women & Infants Hospital remained level at 0.96.

Payer mix continues to shift from traditional Medicare fee-for-service business to managed care products such as NHP's dual-eligible Integrity plan. Changes in payer mix are closely monitored for its impact on net revenue.

## 2. Care Retention

**Comment:** Competition for patient referrals is considerable both within the State and from out-of-State providers. Physicians and patients choose where they go for health care services based on ease of access, quality of care, access to information and price.

**Budget Impact:** Among the many opportunities and challenges included in the FY2018 budget, particular emphasis continues to be placed on initiatives to increase patient referral rates from employed physicians and to capture and retain ACO physician referrals. A variety of initiatives are underway to support system retention of referrals and to attract new referrals from community physicians, primarily RIPCPC.

**4<sup>th</sup> Quarter Update:** The tables below demonstrate continued improvement in care retention in the fourth quarter of FY2018 as compared to the first three quarters of FY2018.

Referral Rates: CNEMG Providers to CNEMG Providers				
Retention Category	FY2018 Q1	FY2018 Q2	FY2018 Q3	FY2018 Q4
<i>Overall Retention (CNEMG &amp; Integra) <sup>(1)</sup></i>	69%	73%	79%	80%
<i>CNEMG Retention <sup>(2)</sup></i>	55%	56%	63%	64%
<i>Integra Other Providers Retention <sup>(3)</sup></i>	14%	17%	16%	16%
<i>Out of Network <sup>(4)</sup></i>	19%	21%	19%	18%
<i>Unknown</i>	12%	6%	2%	2%

Referral Rates: RIPCPC Providers to CNEMG Providers				
Retention Category	FY2018 Q1	FY2018 Q2	FY2018 Q3	FY2018 Q4
<i>Overall Retention (CNEMG &amp; Integra)</i>	40%	57%	66%	65%
<i>CNEMG Retention</i>	14%	20%	22%	22%
<i>Integra Other Providers Retention</i>	26%	37%	44%	43%
<i>Out of Network</i>	21%	29%	31%	29%
<i>Unknown</i>	39%	14%	3%	6%

<sup>(1)</sup> *Overall Retention (CNEMG & Integra):* Referral made to either a CNEMG provider or a provider who is a participant in Integra.

<sup>(2)</sup> *CNEMG Retention:* Referral was made to a CNEMG provider

<sup>(3)</sup> *Integra Other Provider:* Referral was made to an Integra provider who is not employed by CNEMG.

<sup>(4)</sup> *Out of Network:* Referral was made to a provider who is not part of the CNEMG or Integra network.

Other key updates include:

*Specialty Retention:* Retention is routinely reviewed for all service lines provided at CNE. Four specific specialties - cardiology, orthopedics, surgery and oncology - are the focus of an FY2018 Action Plan and as such are tracked on a weekly basis. In all four, retention to CNEMG providers has increased consistently in each quarter since the Q4 2017 baseline. An overview of retention performance in these four service lines is provided in the table below. The financial benefit of these results in FY2018 was \$3.5m, which compares to the Action Plan target of \$1.9m (see also item 3 below, Financial Improvement Action Plans).

Specialty Retention					
% of all referrals made to CNEMG providers by CNEMG and RIPCPC providers					
Specialty	Baseline (FY17 Q4)	FY18 Q1	FY18 Q2	FY18 Q3	FY18 Q4
Cardiology	32%	35%	43%	50%	54%
Orthopedics	42%	42%	49%	50%	54%
Surgery	58%	60%	63%	59%	70%
Oncology	51%	63%	64%	69%	73%

*New Initiatives:* A new care retention initiative has been developed to provide for a customer service program at Kent Hospital. Customer service liaisons will meet with Integra patients in the Emergency Department or who are admitted to provide education about the ACO and to schedule follow up appointments (where appropriate) with CNEMG providers prior to patient discharge. Interviews to hire customer service representatives are underway with a goal of starting this new program in early FY2019.

The Care Retention Committee will continue to meet and evaluate strategies and tactics to improve care retention in FY 2019. The Integra Board of Directors continues to make care retention its number one priority.

### 3. Financial Improvement Action Plans

**Comment:** Following several months of below average financial performance in FY2017 Q1 and Q2, CNE began work to develop and implement action plans to reverse those trends. Declining volume necessitated immediate reductions in force at all operating units, the majority of which were implemented mid-FY2017. Additional action plans were simultaneously developed to capture opportunities for volume growth, care retention, revenue cycle and supply chain improvement, and labor productivity and are expected to yield significant benefit in FY2018 and FY2019. Given the importance of rapid and sustainable improvement, consultants from the firm of Alvarez & Marsal were engaged in September 2017 to provide execution support to CNE leadership.

The cumulative benefit for these Action Plans is \$36.7 million in FY2018, and \$42.5 million by the end of FY2019. Targeted financial improvement is incorporated in the FY2018 operating budget and FY 2018 actual results as benefits are realized. Progress to target is tracked weekly at each operating unit and monthly updates are included in the finance dashboard.

**Budget Impact:** To the extent that efforts to improve financial performance are unsuccessful in achieving the targeted benefits within established timeframes, significant unfavorable budget variance could occur.

**4th Quarter Update:** The table below illustrates performance to date on all action plans:

Initiative Category	Benefit		Year to Date Performance		
	FY18 Forecast*	Annualized	Forecast	Actual	Variance
Programs & Services	\$6,633,449	\$7,594,202	\$6,633,450	\$7,488,619	\$855,170
Care Retention	\$1,964,010	\$3,142,416	\$1,964,010	\$3,515,017	\$1,551,007
Labor	\$17,333,288	\$18,213,918	\$17,333,288	\$14,557,235	(\$2,776,053)
Non-Labor expense	\$1,850,629	\$2,363,839	\$1,850,629	\$2,677,266	\$826,637
Supply Chain	\$867,098	\$1,014,098	\$867,098	\$2,075,473	\$1,208,375
Revenue Cycle	\$8,043,073	\$10,178,419	\$8,043,073	\$8,607,504	\$564,430
Subtotal	\$36,691,548	\$42,506,892	\$36,691,548	\$38,921,113	\$2,229,565
Execution Risk	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	-	\$3,500,000
Total excluding Execution Risk	\$33,191,548	\$39,006,892	\$33,191,548	\$38,921,113	\$5,729,565

#### 4. **Population Health Management:**

**Comment:** The economic and political environment in which CNE operates is rapidly transitioning from the traditional health care economic model based on fee-for-service payment methodologies to one in which providers are instead financial rewarded for efficiency, quality outcomes and the overall management of covered lives across the care continuum. Successful population health management requires significant changes in the way care is managed and corresponding investments that are both expensive and complex. In response to this challenge, CNE established an accountable care organization, Integra Community Care Network, which received Medicare certification effective January 1, 2015. Integra is currently responsible for managing the care of over 120,000 covered lives under five payer arrangements –CMS Next Generation ACO (Next Gen), Blue Cross Medicare Advantage (MA), Medicaid Accountable Entity (AE) Pilots with United Healthcare and Neighborhood Health Plan, and Blue Cross Commercial.

**Budget Impact:** Integra has several revenue sources to provide financial support for organizational infrastructure, including support from payers, grant funding and contributions from hospital participants. In the two years since its inception, the Integra budget has grown from a modest infrastructure comprised of a full time Medical Director, two management staff, a data analyst and two nurse care managers to full staffing of nearly 50 FTEs, primarily in the areas of care management and data analytics, as is required to successfully manage risk arrangements. Investment will also be made to further enhance care management design and implementation, and standardization of quality and process improvement models.

#### ***4th Quarter Update:***

##### **Integra Financial Performance**

##### **BCBSRI**

Medicare Advantage final performance for 2017 reflects a surplus of \$45.64 pmpm (before risk share). There is a surplus cap of \$17.07 pmpm (10% of total risk revenues) in place for this 2017 contract year leaving \$2.9M as eligible surplus. 2017 performance on the commercial product reflects a surplus of \$3.44 pmpm (before risk share). After applying the risk share and quality composite score Integra is tentatively due \$1.70 pmpm or \$1.1M in surplus.

Medicare Advantage performance through July 2018 paid through Aug shows a positive \$49.33 PMPM. Inpatient expenditures are down 8% compared to prior year. The 2018 surplus cap is \$15.87. Commercial is showing a deficit of \$1.19 PMPM for 2018. Outpatient expenditures are up 5.6% and inpatient is up 2.6% compared to prior year.

### **Next Generation Medicare ACO**

The final reconciliation file for contract year 2017 performance shows net shared savings of \$19.33 pmpm, \$3.35M after applying the 80% sharing rate. This information is embargoed until further notice from CMS.

Through August, paid through September, Integra is estimating a surplus of \$4.39 pmpm. Expenditures are on an upward trend throughout 2018 after excellent performance in Q1.

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The program has achieved positive Net Payment Reconciliation Amounts (NPRA) for the period of January 2016 – December 2017 of \$374k. This figure may change as claims data is processed but still is reflective of a continuing positive trend in episodic performance.

### **MedicaidAE**

Integra has executed contracts with both Managed Care Organizations (MCOs), United Healthcare and Neighborhood Health Plan of Rhode Island. The combined attributed population for the Medicaid AE is 48,716. Based upon this number, Integra will be eligible for \$4.6 m in Infrastructure Investment Funds. Infrastructure funds are released when AEs meet certain milestones. The first milestone was executing the contracts with the MCOs. As a result of that, Integra received \$690,110, 15% of our total. The next allocation, 10%, will be paid when Integra submits a Health System Transformation Project Plan which will detail how Integra intends to use the Infrastructure funds to build capacity and address AE program priorities such as: care coordination, integrate behavioral healthcare, patient engagement, and social determinants of health. Working groups that draw on providers and partners across Integra are working on the various components of the plan which needs to be approved by each of the MCOs prior to submission to the state.

### **Accountable Health Communities**

The AHC program is up and running in all clinical delivery sites. The original implementation was delayed due to the fact CMS was not able to review and approve the IT platform in time for the original launch on August 1. Due to the delays with CMS review, Integra elected to switch to the CMS IT platform. This transition took a month to complete. The project faces challenges meeting the required targets for offers to screen, screening, and navigation. Some of this is driven by the closure of Memorial Hospital, which represented around 28% of the project's projected volume. Staffing is being increased to expand hours when screening will be offered, and a new volunteer coordinator will be expanding engagement with area colleges to expand the outreach of prospective clients. Additionally, the AHC team is working on carrying out an aggressive clinical delivery site expansion plan designed to counter the loss of volume that resulted with the closure of Memorial Hospital.

## **5. Memorial Hospital Closure Plan:**

The budget for FY2018 was developed assuming sale of Memorial to Prime with an expected close date of February 28, 2018. Due to an inability of the parties to reach mutually agreeable terms, sale activities ceased in early October 2017 and CNE began implementation of a plan of closure for Memorial Hospital. Memorial Hospital filed the plan to close inpatient and emergency services with the Department of Health (DOH) on November 2, 2017 and by order of the DOH ceased inpatient admissions, surgical services and emergency visits by ambulance effective December 1, 2017. The DOH subsequently approved closure of emergency services effective January 1, 2018. On December 22, 2017, pursuant to a vote of the CNE member boards of the Obligated Group and approval by the Master Trustee, Memorial was withdrawn from the Obligated Group.

**Budget Impact:** The initial FY2018 operating budget for Memorial reflected expected sale of the hospital to Prime. That initial budget assumed that Memorial would incur a \$20.8 million loss. The final budget, updated at the beginning of the fourth quarter of FY2018 to include the financial impact of the plan to close Memorial Hospital, assumes a loss from operations of \$58.0 million for Memorial, of which \$30.0 million is due to the recognition of an asset impairment charge and restructuring costs incurred as a result of the hospital's closure. \$8.4 million of the total Memorial budgeted loss will remain in the Obligated Group. The full CNE budget reflects certain ambulatory services that will remain in Pawtucket under the license of other CNE hospital providers, as well as the transfer of research and residency programs to other CNE entities.

**4th Quarter Update:** Through September 30, 2018, Memorial had a loss from operations of \$41.9 million which was \$15.8 million favorable to budget. \$29.7 million of the loss is due to the loss on asset impairment and restructuring costs incurred as a result of the hospital's closure. \$8.4 million of the total loss was incurred prior to December 22, 2017 and is thus within the Obligated Group.



**Care New England, Consolidated (excludes VNA & TPC)**  
**Metrics**  
**Fiscal 2018**

	Sep-2018 YTD Actual					Sep-2018 YTD Budget					Sep-2018 YTD Variance				
	Butler	Kent	MH	WIH	Consolidated	Butler	Kent	MH	WIH	Consolidated	Butler	Kent	MH	WIH	Consolidated
<b><u>Adjusted Discharge Metrics:</u></b>															
Cost per Adjusted Discharge	\$ 8,921	\$ 10,679	\$ 34,173	\$ 17,929	\$ 13,162	\$ 7,980	\$ 11,924	\$ 23,743	\$ 18,738	\$ 13,260	-11.8%	10.4%	-43.9%	4.3%	0.7%
Paid Hours per Adjusted Discharge	134.40	111.86	184.40	159.94	129.18	121.29	125.30	182.12	176.69	136.13	-10.8%	10.7%	-1.3%	9.5%	5.1%
Worked Hours per Adjusted Discharge	117.88	99.17	157.95	135.95	112.09	105.47	109.32	157.67	147.26	116.30	-11.8%	9.3%	-0.2%	7.7%	3.6%
<b><u>Adjusted Day Metrics:</u></b>															
Cost per Adjusted Day	\$ 1,275	\$ 2,509	\$ 7,714	\$ 3,689	\$ 2,553	\$ 1,271	\$ 2,550	\$ 4,499	\$ 3,864	\$ 2,552	-0.3%	1.6%	-71.5%	4.5%	0.0%
Paid Hours per Adjusted Day	19.20	26.28	41.63	32.91	25.05	19.32	26.79	34.51	36.43	26.20	0.6%	1.9%	-20.6%	9.7%	4.4%
Worked Hours per Adjusted Day	16.84	23.30	35.66	27.97	21.74	16.80	23.38	29.87	30.37	22.38	-0.3%	0.3%	-19.4%	7.9%	2.9%
<b><u>FTE Metrics:</u></b>															
FTEs per Adjusted Occupied Bed	3.36	4.60	7.28	5.76	4.38	3.38	4.69	6.04	6.38	4.58	0.6%	1.9%	-20.6%	9.7%	4.4%
Salary per FTE	\$ 66,739	\$ 71,437	\$ 55,584	\$ 82,624	\$ 75,060	\$ 65,004	\$ 71,178	\$ 46,814	\$ 78,006	\$ 72,021	-2.7%	-0.4%	-18.7%	-5.9%	-4.2%
Salary and Fringe per FTE	\$ 87,378	\$ 93,268	\$ 76,191	\$ 114,403	\$ 101,081	\$ 85,242	\$ 94,431	\$ 62,319	\$ 108,380	\$ 97,585	-2.5%	1.2%	-22.3%	-5.6%	-3.6%

**Care New England Health System  
Financial Performance – Integra Shared Savings and At-Risk Arrangements  
Fourth Quarter, Fiscal Year 2018**

**Integra Contract Update:**

**BCBSRI**

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# Care New England Revenue Cycle Quarterly Report

## Issued November 8, 2018 for Services through September 30, 2018

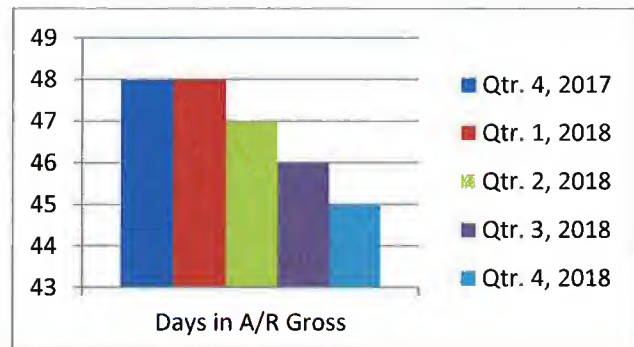
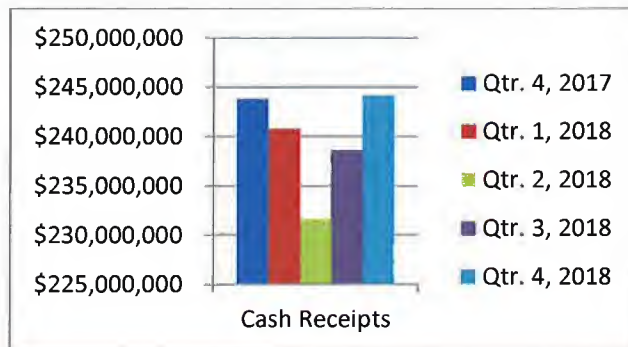
The Care New England Consolidated Revenue Cycle includes the following business units:

Hospitals [Butler, Kent, Memorial, Women & Infants]  
VNA of Care New England

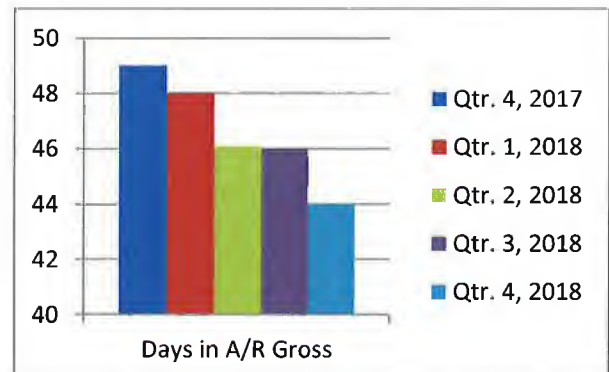
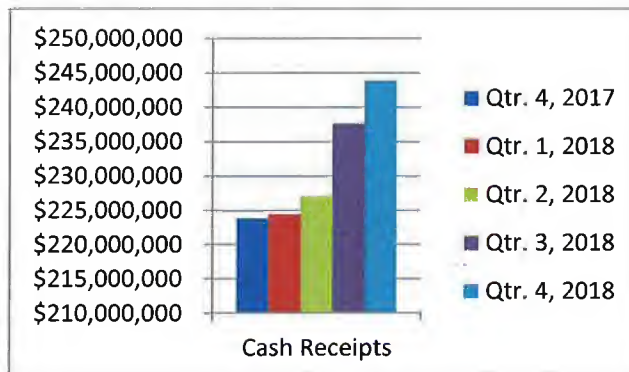
CNE Medical Group [CNEMG]  
The Providence Center

The system's Revenue Cycle performance improved as compared with the prior quarter. There is a \$14.6M increase in gross charges and an increase in cash receipts of \$5M compared to last quarter. The total Accounts Receivable Days (A/R Days) decreased by 1 day to 45. This is 3 days lower than this time FY17. Excluding Memorial the total days in A/R are at 44. A/R aging decreased 3% from last quarter and 4% from FY17.

CNE Consolidated Revenue Cycle Summary, Quarterly Review					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 653,367,181	\$ 621,510,173	\$ 594,943,898	\$ 609,870,666	\$ 624,411,709
Cash Receipts	\$ 243,813,239	\$ 240,777,232	\$ 231,610,680	\$ 238,598,740	\$ 244,158,675
Contractual Adjustments	\$ 388,837,597	\$ 379,968,025	\$ 351,569,501	\$ 349,772,328	\$ 359,687,771
Write-Offs	\$ 19,396,306	\$ 12,604,384	\$ 19,379,349	\$ 13,706,431	\$ 15,079,863
Days in A/R Gross	48	48	47	46	45
Total A/R Balances	\$ 343,607,742	\$ 322,820,561	\$ 309,126,919	\$ 309,957,895	\$ 308,016,741
A/R % over 180 Days	15%	16%	14%	14%	11%



CNE Consolidated Revenue Cycle (Excluding Memorial Hospital)					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 586,540,112	\$ 574,952,067	\$ 592,657,994	\$ 609,882,898	\$ 624,410,233
Cash Receipts	\$ 223,814,633	\$ 224,364,407	\$ 227,166,925	\$ 237,702,282	\$ 243,946,573
Contractual Adjustments	\$ 342,474,808	\$ 340,826,173	\$ 342,263,282	\$ 347,791,822	\$ 360,121,708
Write-Offs	\$ 17,348,335	\$ 11,349,026	\$ 15,810,427	\$ 12,825,548	\$ 14,477,901
Days in A/R Gross	49	48	46	46	44
Total A/R Balances	\$ 309,901,784	\$ 301,407,141	\$ 302,865,015	\$ 308,552,993	\$ 307,365,371
A/R % over 180 Days	15%	15%	14%	14%	11%



**All Hospital Combined Revenue Cycle:**

The all hospital Revenue Cycle summary illustrates the combined movement in the A/R across all CNE hospitals. Gross charges increased since last quarter by \$15.2M. This increase was achieved despite zero charges being reported for Memorial Hospital due to closure of all services during Q2 FY18.

The Revenue Cycle is reporting an increase in cash receipts of \$8.7M across all facilities from last quarter. Excluding Memorial Hospital, the facilities represented a \$9.4M increase in cash receipts. The DNFB remains under 10 days, and due to numerous initiatives within HIM Coding, it's at the lowest ever reported at 7 days. The A/R days for all hospitals combined remains lower than the last two fiscal years at 45 days.

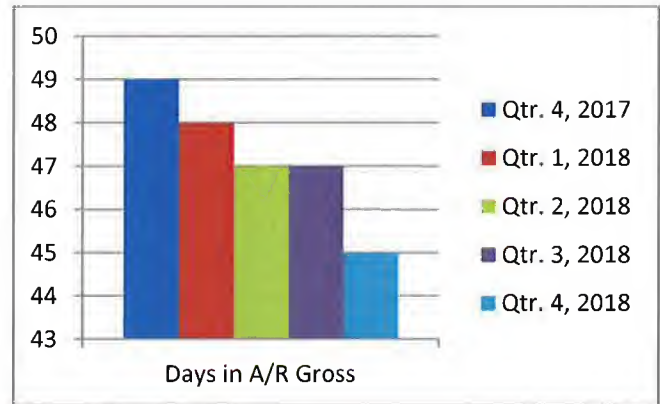
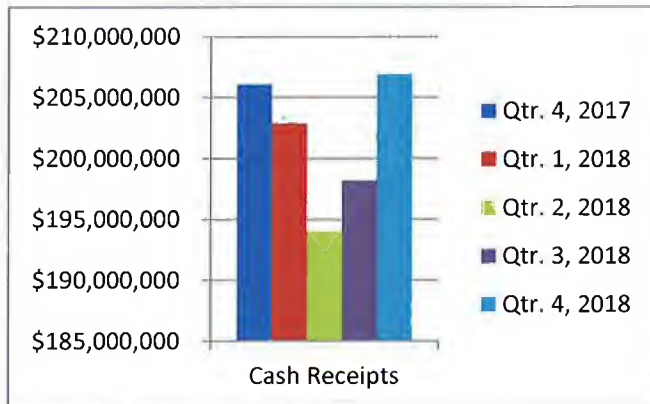
- A team within the Revenue Cycle continues to create and correct billing and payment rules within the systems. These efforts have reduced a number of manual processes and increased the quality and accuracy of A/R reporting. The clean claim submission percentage has increased 22% since the start of FY18 due to these efforts.
- Throughout FY 18, CNE benefited from the increased automation and efficiencies generated from various software implementations and new billing strategies.
  - PatientCo was implemented at the end of Q2. This system has allowed for online patient payments and personal information protection that our previous systems did not provide. The implementation was successful and has aided in the large increase of self-pay collections for Q4. Compared to last quarter self-pay collections were up \$1.4M.
    - Self-pay collections in total have increased \$2.46M compared to FY17.
- The largest initiative for FY18 continues to be the implementation of Provider-Based billing to all insurers.
  - The Revenue Cycle and Chargemaster Team are working closely together with IT to create automation behind the leveling and charging of clinic visits. Kent Hospital was completed during Q4 of FY18. Opportunities for automation at Women and Infants' will be evaluated throughout FY19.
  - Butler Hospital Provider-Based transitions are underway the first location set to go-live on 11/15/18.
- The Denial Management Taskforce Team continues to drive system and process changes to reduce common denial reasons. Department participation was strong in Q4 resulting in the identification of numerous opportunities.

**Specific areas of concern include:**

- Payment delay tactics and incorrect denials from a number of payers continue to keep cash flow inconsistent and at times slow.
- The lack of interfaces between EPIC, Cerner, Optimum, 3M and All Scripts continues to cause breakdowns in processes which do affect the ability to collect revenue.
- Manual processes caused by the Avatar system at Butler in Revenue Cycle.
- Revenue Cycle Write Offs resulting in lost cash: Readmission Denials, Medical Necessity and Timely Filing.
  - Plans to reduce Medical Necessity and Timely Filing are underway and show promise for decrease in FY19.

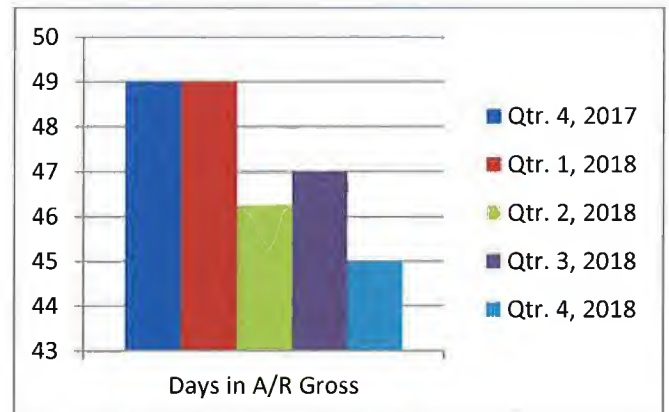
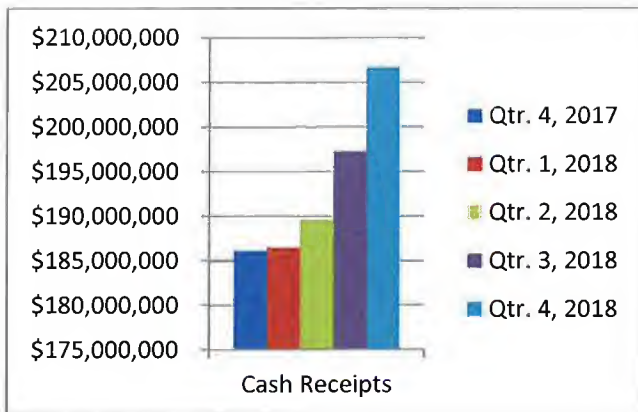
### All Hospital Combined Revenue Cycle Summary, Quarterly Review

	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 578,953,158	\$ 549,231,355	\$ 516,916,335	\$ 534,234,972	\$ 549,452,766
Cash Receipts	\$ 206,081,300	\$ 202,861,628	\$ 194,044,279	\$ 198,203,522	\$ 206,914,537
Contractual Adjustments	\$ 353,817,101	\$ 345,109,875	\$ 316,356,959	\$ 313,106,123	\$ 325,801,840
Write-Offs	\$ 17,698,878	\$ 10,941,552	\$ 16,002,327	\$ 12,490,079	\$ 13,077,385
DNFB Days	8	9	9	8	7
Days in A/R Gross	49	48	47	47	45
Total A/R Balances	\$ 306,843,652	\$ 288,480,925	\$ 270,809,783	\$ 274,484,078	\$ 271,175,306
A/R % over 180 Days	16%	16%	15%	17%	10%



### All Hospital Combined Revenue Cycle Summary (Excluding Memorial Hospital)

	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 512,126,089	\$ 502,673,248	\$ 514,630,431	\$ 534,247,204	\$ 549,451,290
Cash Receipts	\$ 186,082,694	\$ 186,448,802	\$ 189,600,524	\$ 197,307,064	\$ 206,702,435
Contractual Adjustments	\$ 307,454,312	\$ 305,968,023	\$ 307,050,737	\$ 311,125,617	\$ 326,235,777
Write-Offs	\$ 15,650,907	\$ 9,686,195	\$ 14,087,997	\$ 11,609,196	\$ 12,475,423
DNFB Days	8	9	9	8	7
Days in A/R Gross	49	49	46	47	45
Total A/R Balances	\$ 273,137,694	\$ 267,067,506	\$ 264,547,879	\$ 273,079,126	\$ 270,523,936
A/R % over 180 Days	16%	16%	14%	12%	10%





## Hospitals

### Butler Hospital:

Butler Hospital is dedicated to inpatient and outpatient psychiatric services, substance abuse and neurological services.

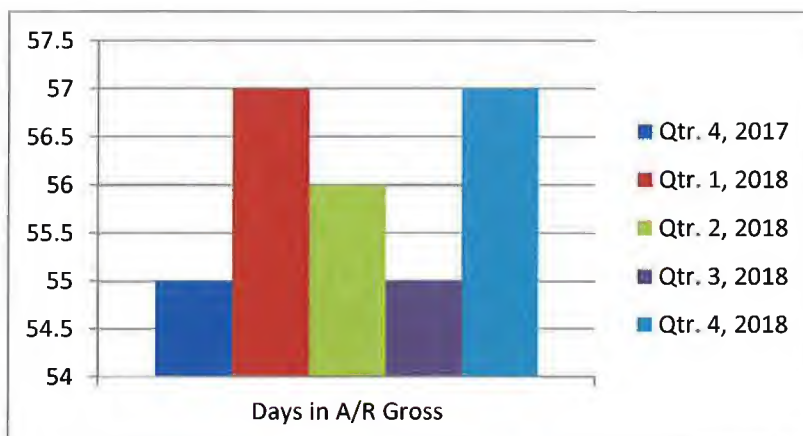
Gross charges had a decrease of \$700K over the fourth quarter FY18. Although the transition was slow, by the beginning the fourth quarter, Continuum cash was starting to be collected. The outpatient locations at Butler Hospital, including Continuum, along with the newly developed IOP programs are driving a large volume of the gross charges. Inpatient, however, continues to show a significant decline in charging and days from prior periods.

Cash collections were lower than previous quarters at \$16.8M. However, there is much less aged AR turned over for collections compared to previous quarters because much of the AR has come off the books. The AR is more current and regularly worked sooner than in the past. This is evident in the large decrease in AR aging to 13%. Additional resources for collections assigned to the facility have also proven to be successful. The Revenue Cycle team has implemented plans to build up the team dedicated to Butler going forward.

Overall Days in A/R increased 2 days to 57. The increase in days can be attributed to two major factors. Butler Hospital is pending a settlement from Beacon Health Strategies (NHP) for outstanding and unresolved claims issues. These balances will remain on the A/R until settlement is reached. The second reason for the increase in days is attributed to the slow build out of 835 cash posting. Due to the manual reconciliation of error reports, there are a number of data points that need to be verified causing late contractual postings. As procedures are developed surrounding this issue, the days are expected to decrease and level off.

Internal meetings with Butler finance and the Revenue Cycle team have been underway for weeks to identify additional Provider-Based billing opportunities. The first location is set to go-live 11/15/2018.

Butler Hospital Revenue Cycle Summary, Quarterly Review					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 37,163,701	\$ 37,481,686	\$ 35,973,316	\$ 37,525,303	\$ 36,835,886
Cash Receipts	\$ 17,237,345	\$ 17,100,895	\$ 17,020,595	\$ 17,301,602	\$ 16,797,859
Contractual Adjustments	\$ 16,962,396	\$ 17,455,824	\$ 16,998,643	\$ 18,056,913	\$ 16,735,788
Write-Offs	\$ 2,495,416	\$ 1,590,907	\$ 2,487,366	\$ 1,171,377	\$ 2,429,515
DNFB Days	3	7	16	16	17
Days in A/R Gross	55	57	56	55	57
Total A/R Balances	\$ 22,410,454	\$ 23,372,360	\$ 22,393,688	\$ 22,501,054	\$ 23,264,858
A/R % over 180 Days	16%	18%	22%	17%	13%



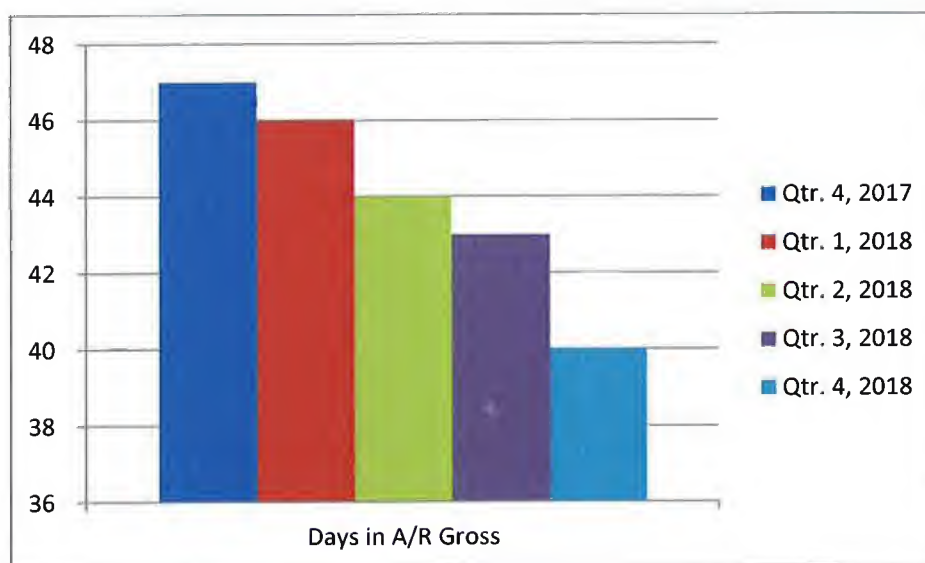
## Kent Hospital:

Kent Hospital is the larger General Medical/Surgical Hospital with rehabilitation, cardiac and obstetric specialty components. Gross charges at Kent showed a \$1.3M increase from last quarter of FY18. This is the highest gross charges for Kent Hospital in at least the last two fiscal years. Compared to the last quarter, cash receipts and adjustments increased by \$4.8M and \$9M, respectively. Total days in A/R went down three days to 40; seven days less than Q4 FY17.

For the month of August within Q4 FY18, Kent Hospital again hit its highest cash receipts in recently history. Q4 FY18 also shows a \$16.5M increase of cash from Q4 FY17. This increase is a result of higher patient volume, stronger internal collection efforts, and outsourcing initiatives. Self-pay cash at Kent Hospital has also shown an increase of \$800K compared to Q4 FY17. This increase is a direct result of system automation and a consolidation of self-pay outsourced vendors.

The total A/R decreased by \$9.7M, and aging also decreased by another 2%. These decreases can be attributed the settlement reached between Care New England and Neighborhood Health Plan for outstanding claims and for issues with claim dates prior to 1/1/2018. Other factors affecting this decrease revolve around various Revenue Cycle projects involving timely balance follow-up and the clean-up and collections of older claims.

Kent Hospital Revenue Cycle Summary, Quarterly Review					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 232,241,645	\$ 228,547,513	\$ 242,089,330	\$ 252,999,071	\$ 254,258,570
Cash Receipts	\$ 67,583,146	\$ 72,654,270	\$ 75,183,273	\$ 79,233,624	\$ 84,016,366
Contractual Adjustments	\$ 150,767,947	\$ 152,392,093	\$ 154,019,744	\$ 161,095,049	\$ 170,080,420
Write-Offs	\$ 8,191,646	\$ 4,672,018	\$ 5,728,133	\$ 6,068,749	\$ 5,856,572
DNFB Days	8	8	7	7	6
Days in A/R Gross	47	46	44	43	40
Total A/R Balances	\$ 118,716,864	\$ 113,384,595	\$ 117,078,199	\$ 120,796,450	\$ 111,060,936
A/R % over 180 Days	17%	18%	15%	14%	12%



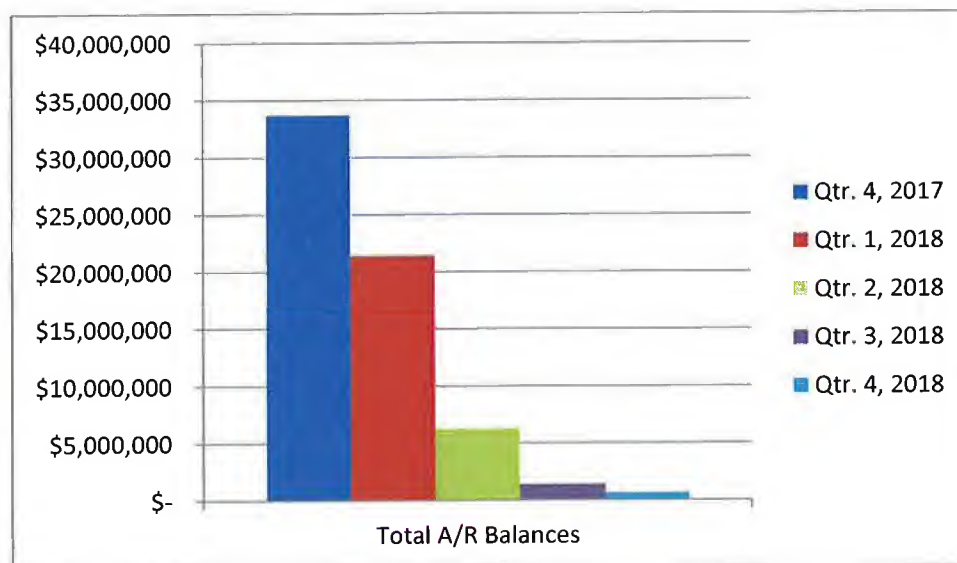
## Memorial Hospital of Rhode Island:

Memorial Hospital is the smaller General Medical/Surgical facility within Care New England. The facility closure for Inpatient and Emergent services was effective December 2017. The clinic services at the hospital were also discontinued under Memorial Hospital as of January 31, 2018. All of the figures below are a result of these closures.

Cash receipts and collection efforts continued for Memorial Hospital through the 4<sup>th</sup> Quarter FY18. The work down of the A/R was a focus of internal Revenue Cycle staff and appropriate vendors. Self-Pay collections remain on the A/R to follow appropriate patient billing and bad debt reporting. The expectation is for the full A/R and systems to be closed down prior to Q3 of FY19.

Memorial Hospital Revenue Cycle Summary, Quarterly Review					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 66,827,069	\$ 46,558,107	\$ 2,285,904	\$ (12,232)	\$ 1,476
Cash Receipts	\$ 19,998,606	\$ 16,412,826	\$ 4,443,755	\$ 896,457	\$ 212,102
Contractual Adjustments	\$ 46,362,789	\$ 39,141,852	\$ 9,306,219	\$ 1,980,506	\$ (433,937)
Write-Offs	\$ 2,047,971	\$ 1,255,358	\$ 1,914,330	\$ 880,883	\$ 601,962
DNFB Days	9	5	0	0	0
Days in A/R Gross	47	42	247	(10,452)	40,611
Total A/R Balances	\$ 33,705,958	\$ 21,413,420	\$ 6,261,904	\$ 1,404,902	\$ 651,370
A/R % over 180 Days	15%	23%	54%	90%	100%

*\*Graph below represents the work down in A/R.*





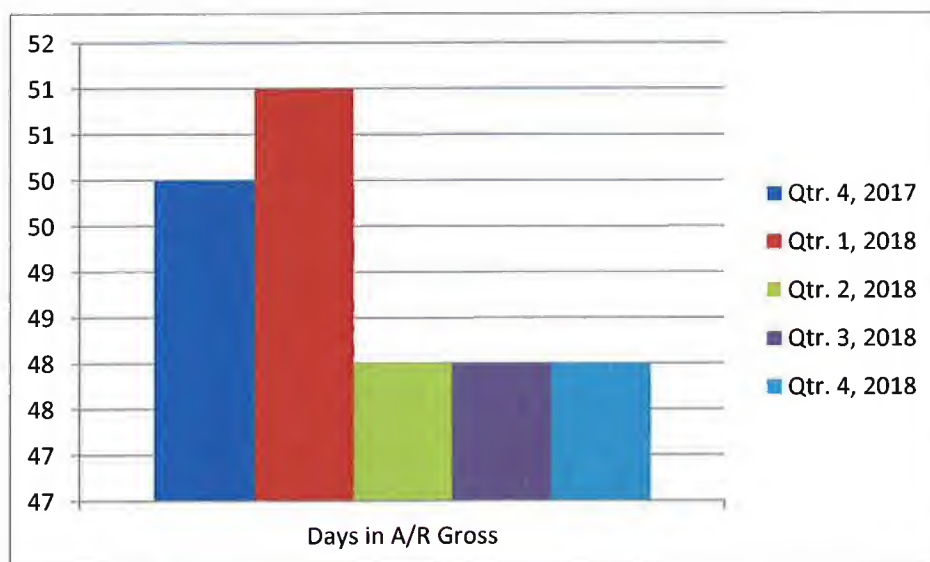
## Women & Infants Hospital:

Women & Infants is the primary obstetric hospital in Rhode Island and the region's largest Neonatal Intensive Care Unit (NICU). Compared to the last quarter, gross charges and cash receipts increased by \$14.6M and \$5.1M, respectively. Cash is also \$4.6M higher than Q4 FY17.

Days in A/R remained consistent at 48 for the fourth quarter. Women and Infants' has not reported A/R days this low in almost two years. This decrease can be attributed to stronger collection efforts within the Revenue Cycle. Discharged Not Final Billed days are also at their lowest within the last two fiscal years. Numerous documentation and coding initiatives continue to prove successful.

Total AR balances increased by \$7M. The increase can be reported in the 0-30 days at \$13.2M. The aging over 180 days decreased by another 1% Q4. The significant decrease in aging A/R can be attributed to various Revenue Cycle projects involving timely balance follow-up and clean-up and collections of old claims.

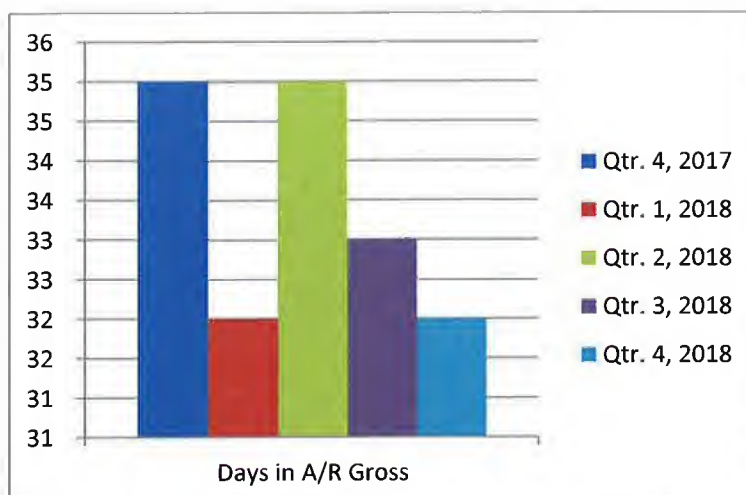
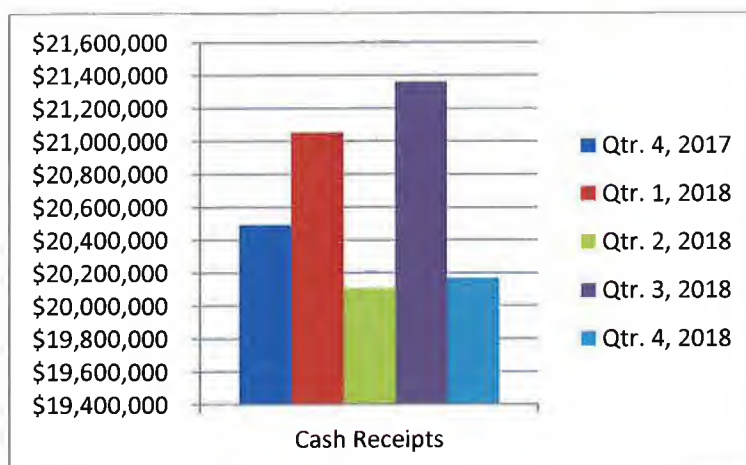
Women & Infants Hospital Revenue Cycle Summary, Quarterly Review					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 242,720,743	\$ 236,644,049	\$ 236,567,785	\$ 243,722,831	\$ 258,356,834
Cash Receipts	\$ 101,262,203	\$ 96,693,637	\$ 97,396,655	\$ 100,771,838	\$ 105,888,210
Contractual Adjustments	\$ 139,723,969	\$ 136,120,107	\$ 136,032,350	\$ 131,973,655	\$ 139,419,569
Write-Offs	\$ 4,963,845	\$ 3,423,270	\$ 5,872,498	\$ 4,369,069	\$ 4,189,336
DNFB Days	9	9	10	8	7
Days in A/R Gross	50	51	48	48	48
Total A/R Balances	\$ 132,010,377	\$ 130,310,550	\$ 125,075,991	\$ 129,781,672	\$ 136,198,142
A/R % over 180 Days	14%	13%	11%	9%	8%



## Care New England Medical Group:

The fourth quarter gross charges increased by \$934,191 (1.6%) compared to the prior quarter. Collections decreased by \$1,192,430 (5.6%), which is consistent with the decrease in the 3<sup>rd</sup> quarter charges posted. Fourth quarter contractual adjustments decreased by \$2,442,794 (6.7%), which is consistent with the decreased collections for the quarter. Write offs for the 4<sup>th</sup> quarter increased by \$626,591 (71%) over the third quarter, which is due, in part, to timing issues with the third quarter write-offs, which were lower than quarterly averages. Days in A/R decreased from 33 to 32 with an overall increase of 13% in the total accounts receivable. Total AR increase was affected by NHP remittance upload issues, which are being addressed by NHP. A/R % over 180 days remained the same at 11%.

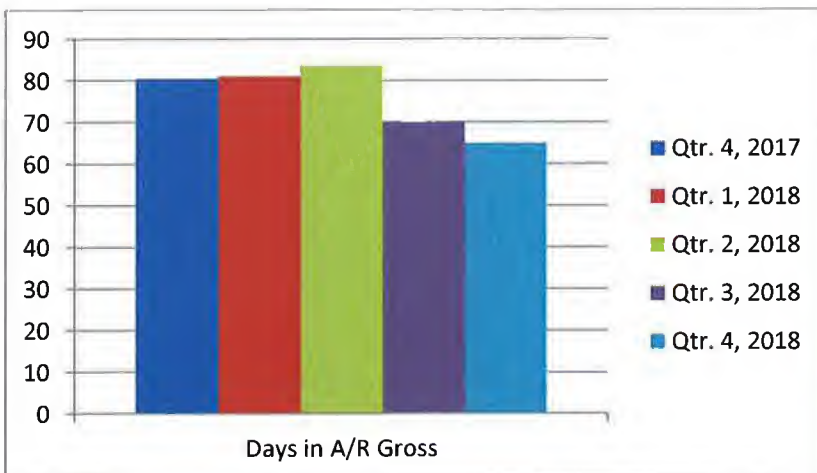
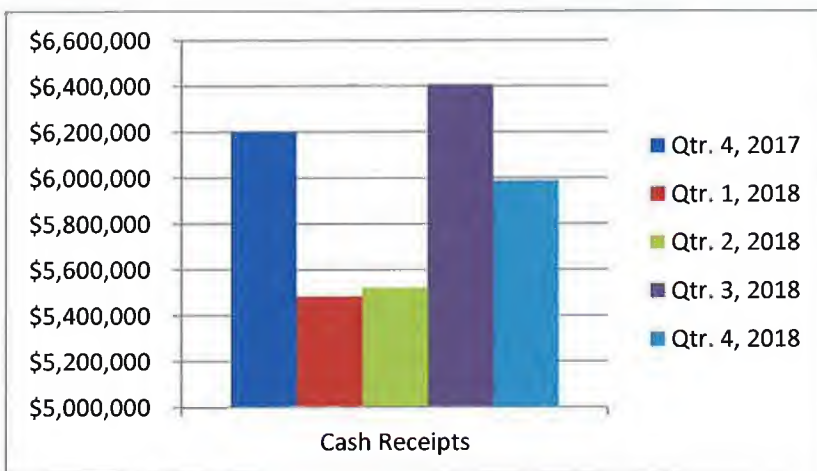
Care New England Medical Group Revenue Cycle Summary, Quarterly Review					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 56,016,978	\$ 54,270,506	\$ 59,251,705	\$ 57,434,334	\$ 58,368,525
Cash Receipts	\$ 20,494,779	\$ 21,052,577	\$ 20,108,782	\$ 21,360,404	\$ 20,167,974
Contractual Adjustments	\$ 34,560,355	\$ 34,409,932	\$ 34,758,435	\$ 36,287,998	\$ 33,845,204
Write-Offs	\$ 1,528,899	\$ 1,559,214	\$ 1,654,591	\$ 877,123	\$ 1,503,714
Days in A/R Gross	35	32	35	33	32
Total A/R Balances	\$ 22,614,865	\$ 19,608,593	\$ 22,338,659	\$ 21,247,471	\$ 24,099,104
A/R % over 180 Days	7%	10%	10%	11%	11%



## Visiting Nurses Association (VNA) of Care New England:

VNA is a home care agency that provides Skilled Nursing, Rehab Therapies, Hospice, Palliative Care and Private Duty Home Care to Greater Rhode Island. The fourth quarter of FY18 showed a large decrease in AR days by 5 days to 65 and AR balances decrease of \$600K. These decreases primarily relate to strong collections within United Healthcare and Neighborhood Health Plan AR in the amount of \$500K. The VNA is still working with the State of Rhode Island on Medicaid Claims that are “hung” up in the State Claim System. During the fourth quarter of FY18, some payments were released and additional payments were setup for release in October 2018. These issues are a result of the State Mandate for all Private Duty Programs within the State of Rhode Island to bill through the Sandata System. Although the State has provided the VNA with weekly calls, claims are not being paid and resolved timely. The VNA’s claims have been acknowledged as valid and the State continues to work through the issues on their end.

VNA of Care New England Revenue Cycle Summary, Quarterly Review					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 5,494,800	\$ 5,538,847	\$ 5,565,133	\$ 5,799,807	\$ 5,492,297
Cash Receipts	\$ 6,203,425	\$ 5,483,067	\$ 5,520,521	\$ 6,408,326	\$ 5,989,971
Write-Offs	\$ 14,932	\$ 538	\$ 10,125	\$ (31)	\$ 140,858
Days in A/R Gross	81	81	84	70	65
Total A/R Balances	\$ 4,809,191	\$ 4,897,565	\$ 5,177,577	\$ 4,455,842	\$ 3,860,666
A/R % over 180 Days	18%	19%	19%	21%	20%





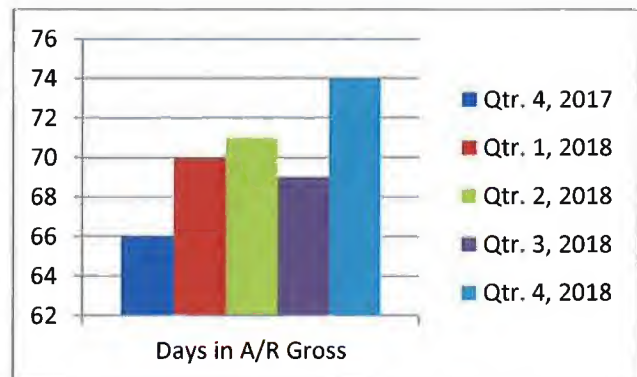
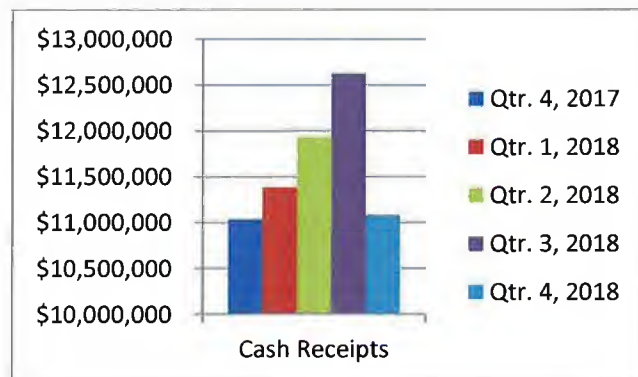
## The Providence Center:

The Providence Center is Rhode Island's largest community behavioral health services network. Services focus on delivery with the client, families and other community resources. It provides services to over 18,000 clients annually and is staffed by approximately 800 people.

Cash receipts continue to improve from normalized Epic billings and resolution of State contract payment challenges. Write Off increases reflect aggressive resolution and cleanup of legacy accounts receivable balances as part of the Nov. 2017 transition to the new Epic system.

The gross charges and contractual adjustments changes from fiscal year 2018 3rd quarter to 2018 4th quarter are principally attributed to the transition of Continuum Behavioral Health revenue from TPC to Butler in June 2018. The gross charges decrease was also impacted by negative seasonality trending in outpatient and TPC Schools, and Epic billing challenges. The Total A/R Balance reduction included the collection of \$930K of corrected Substance Abuse Residential claims re-processed by United.

The Providence Center Revenue Cycle Summary, Quarterly Review					
	Qtr. 4, 2017	Qtr. 1, 2018	Qtr. 2, 2018	Qtr. 3, 2018	Qtr. 4, 2018
Gross Charges	\$ 12,902,245	\$ 12,469,466	\$ 13,210,725	\$ 12,401,553	\$ 11,098,121
Cash Receipts	\$ 11,033,735	\$ 11,379,960	\$ 11,937,098	\$ 12,626,488	\$ 11,086,193
Contractual Adjustments	\$ 460,141	\$ 448,218	\$ 454,110	\$ 378,207	\$ 40,727
Write-Offs	\$ 153,597	\$ 103,079	\$ 57,714	\$ 339,260	\$ 357,906
Days in A/R Gross	66	70	71	69	74
Total A/R Balances	\$ 9,340,033	\$ 9,833,478	\$ 10,800,900	\$ 9,770,504	\$ 8,881,665
A/R % over 180 Days	14%	13%	14%	20%	23%



CARE NEW ENGLAND HEALTH SYSTEM  
REVENUE CYCLE QUARTERLY REPORT  
9/30/18

Payor Mix by Gross Revenue:		FY 12	FY 13	FY 14	Q1, FY 15	Q2, FY 15	Q3, FY 15	Q4, FY 15	Q1, FY 16	Q2, FY 16	Q3, FY 16	Q4, FY 16	Q1, FY 17	Q2, FY 17	Q3, FY 17	Q4, FY 17	Q1, FY 18	Q2, FY 18	Q3, FY 18	Q4, FY 18	Q1, FY 19	Q2, FY 19	Q3, FY 19	Q4, FY 19
Medicare and Medicare Managed Care		34.70%	34.80%	34.01%	33.17%	35.21%	33.51%	31.51%	32.75%	32.84%	32.01%	30.95%	31.61%	33.18%	31.18%	30.68%	29.76%	30.65%	31.17%	30.5%	31.17%	30.65%	31.17%	30.5%
Blue Cross		23.20%	22.35%	22.43%	22.03%	20.52%	20.87%	21.94%	20.89%	20.92%	20.66%	20.52%	20.43%	20.34%	20.37%	20.41%	20.27%	19.45%	19.46%	19.46%	19.46%	19.45%	19.46%	19.46%
Medicaid and Medicaid Managed Care		20.89%	20.45%	24.46%	26.97%	26.75%	28.01%	28.97%	23.61%	27.58%	27.20%	28.98%	26.95%	27.70%	28.38%	28.53%	29.57%	27.79%	27.16%	27.73%	27.16%	27.79%	27.16%	27.73%
Managed Care		10.95%	11.09%	10.86%	10.33%	10.02%	10.46%	10.48%	10.47%	10.57%	11.57%	10.58%	10.67%	9.98%	10.68%	10.09%	8.06%	9.74%	9.88%	9.87%	9.88%	9.74%	9.88%	9.87%
Self Pay		4.60%	4.71%	2.68%	1.71%	1.58%	1.70%	1.91%	1.46%	1.71%	1.68%	- .65%	1.60%	1.65%	1.55%	1.58%	1.38%	1.21%	1.20%	1.32%	1.20%	1.38%	1.20%	1.32%
All Other		5.72%	6.60%	5.56%	5.79%	5.93%	5.45%	5.25%	5.78%	6.38%	6.93%	7.32%	8.73%	7.15%	7.24%	8.30%	10.95%	10.96%	11.13%	11.1%	10.95%	10.96%	11.13%	11.1%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.01%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Analysis of Revenues & Deductions:		FY 12	FY 13	FY 14	Q1, FY 15	Q2, FY 15	Q3, FY 15	Q4, FY 15	Q1, FY 16	Q2, FY 16	Q3, FY 16	Q4, FY 16	Q1, FY 17	Q2, FY 17	Q3, FY 17	Q4, FY 17	Q1, FY 18	Q2, FY 18	Q3, FY 18	Q4, FY 18	Q1, FY 19	Q2, FY 19	Q3, FY 19	Q4, FY 19
Gross Patient Service Revenues		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Less Contractual Discounts		-56.9%	-57.4%	-56.0%	-59.1%	-59.5%	-60.5%	-60.7%	-59.1%	-59.7%	-57.8%	-58.9%	-59.3%	-61.1%	-62.1%	-61.9%	-61.3%	-61.2%	-60.4%	-60.4%	-61.2%	-60.4%	-60.4%	-57.9%
Plus Disproportionate Share Receipts		1.7%	1.3%	0.9%	1.8%	1.8%	1.8%	1.8%	1.9%	1.9%	2.0%	2.2%	1.9%	1.9%	1.8%	1.8%	2.0%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	2.8%
Plus Upper Payment Limit Receipts		0.1%	0.1%	0.0%	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%
Net Patient Service Revenues (NPSR)		44.9%	44.0%	44.9%	43.1%	42.7%	41.6%	41.5%	43.3%	42.7%	44.6%	43.8%	43.1%	41.2%	40.0%	40.3%	41.1%	41.8%	41.8%	41.8%	41.8%	41.8%	41.8%	45.4%
Less:																								
Charity Care (CC)		-2.1%	-2.0%	-2.0%	-0.7%	-0.7%	-0.9%	-0.8%	-0.8%	-0.8%	-0.8%	-0.6%	-0.8%	-0.8%	-0.4%	-0.7%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
Bad Debt Expense (BD)		-2.3%	-2.6%	-1.7%	-1.3%	-1.8%	-1.1%	-2.0%	-1.5%	-1.6%	-1.4%	-1.3%	-1.5%	-1.7%	-1.4%	-1.5%	-1.2%	-1.1%	-1.1%	-1.5%	-1.5%	-1.5%	-1.5%	-1.5%
NPSR less Uncompensated Care		40.5%	39.4%	41.2%	41.1%	40.2%	39.6%	38.7%	41.0%	40.3%	42.4%	41.9%	40.8%	38.6%	38.2%	38.1%	39.3%	39.8%	39.6%	39.6%	39.6%	39.6%	39.6%	43.3%
Total Uncompensated Care (CC & BD)		4.4%	4.6%	3.7%	2.0%	2.5%	2.0%	2.8%	2.3%	2.4%	2.2%	1.9%	2.3%	2.5%	1.8%	2.2%	1.7%	2.0%	1.8%	1.8%	1.8%	1.8%	1.8%	2.8%

**Care New England Health System**  
**Consolidated and Obligated Group**  
**9/30/2018**

See Note: (1)

**Liquidity Ratios:**

**Days Cash on Hand - Operating Only**

	FY14	FY15	FY16	FY17	Consolidated 09.30.2018	Obligated Group (YTD) 09.30.2018
Cash & Cash Equivalents & Investments	77,609,133	75,967,496	69,186,020	54,458,086	47,375,732	47,377,284
Less: Restricted Cash & Cash Equivalents and Inve.	11,495,801	13,762,195	11,111,334	11,296,695	13,476,543	13,010,691
Less: Integra Contract Performance Cash	0	0	0	696,677	470,422	470,422
Less: Outstanding borrowings on line of credit	0	0	639,958	442,144	0	0
Unrestricted Cash & Cash Equivalents and Investme	66,113,332	62,205,301	57,434,728	42,022,570	33,428,767	33,896,171
Divided by: Operating Expenses	1,058,995,303	1,139,725,241	1,223,003,650	1,179,765,846	1,162,115,014	1,117,851,103
Less: Depreciation and Amortization Expense	34,495,543	36,581,327	39,599,310	35,324,831	30,021,896	29,648,043
Loss on disposition of assets (intangibles)	0	0	5,400,000	0	0	0
Restructuring or merger costs (Max \$4m/year)	0	2,911,571	4,000,000	4,000,000	73,333	73,333
Loss on Asset Impairment					22,560,986	0
Loss on refinancing	509,587	0	20,235,280	0	0	0
Net Operating Expenses	1,023,990,173	1,100,232,343	1,153,769,060	1,140,441,015	1,109,458,799	1,088,129,727
	<b>23.6</b>	<b>20.6</b>	<b>18.2</b>	<b>13.4</b>	<b>11.0</b>	<b>11.4</b>

**Days Cash on Hand - Inclusive of Unrestricted Board Designated**

Cash & Cash Equivalents & Investments	66,113,332	62,205,301	57,434,728	42,022,570	33,428,767	33,896,171
Plus: Unrestricted Board Designated Funds, excluding CS	99,206,604	90,980,227	100,153,542	94,491,071	100,350,100	100,350,100
Divided by: Operating Expenses	1,058,995,303	1,139,725,241	1,223,003,650	1,179,765,846	1,162,115,014	1,117,851,103
Less: Depreciation and Amortization Expense	34,495,543	36,581,327	39,599,310	35,324,831	30,021,896	29,648,043
Loss on disposition of assets (intangibles)	0	0	5,400,000	0	0	0
Restructuring or merger costs (Max \$4m/year)	0	2,911,571	4,000,000	4,000,000	73,333	73,333
Loss on Asset Impairment					22,560,986	0
Loss on refinancing	509,587	0	20,235,280	0	0	0
Net Operating Expenses	1,023,990,173	1,100,232,343	1,153,769,060	1,140,441,015	1,109,458,799	1,088,129,727
	<b>58.9</b>	<b>50.8</b>	<b>50.0</b>	<b>43.7</b>	<b>44.0</b>	<b>45.0</b>

**Cash to Debt Ratio**

Cash & Cash Equivalents & Investments (including t	165,319,936	153,185,528	157,588,270	136,513,641	133,778,867	134,246,271
Divided by: Long-term Debt (reduced by Debt Service Reserve l	156,272,229	155,637,106	169,934,522	168,325,102	162,132,682	162,064,961
	<b>1.06</b>	<b>0.98</b>	<b>0.93</b>	<b>0.81</b>	<b>0.83</b>	<b>0.83</b>

**Current Ratio**

Current Assets	246,224,949	255,427,396	221,881,964	210,009,369	213,136,305	209,014,977
Divided by: Current Liabilities	164,922,937	189,339,472	187,009,712	176,294,412	164,751,843	158,616,075
	<b>1.49</b>	<b>1.35</b>	<b>1.19</b>	<b>1.19</b>	<b>1.29</b>	<b>1.32</b>

**Average Payment Period**

Current Liabilities	164,922,937	189,339,472	187,009,712	176,294,412	164,751,843	158,616,075
Divided by: Operating Expenses	1,058,995,303	1,139,725,241	1,223,003,650	1,179,765,846	1,162,115,014	1,117,851,103
Days in Measurement Period	365	365	366	365	365	365
Average Daily Operating Expenses	2,901,357	3,122,535	3,341,540	3,232,235	3,183,877	3,062,606
	<b>56.8</b>	<b>60.6</b>	<b>56.0</b>	<b>54.5</b>	<b>51.7</b>	<b>51.8</b>

**Care New England Health System**  
**9/30/2018**

FY14	FY15	FY16	FY17	Consolidated 09.30.2018	Obligated Group (YTD) 09.30.2018
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**Profitability Ratios:**

**Operating Margin**

Divided by:	Income from Operations	8,505,804	(1,785,748)	(68,279,804)	(47,132,893)	(26,877,370)	5,448,085
	Total Operating Revenue	1,068,010,694	1,137,939,493	1,154,723,846	1,132,632,953	1,135,237,644	1,123,299,188
		<b>0.80%</b>	<b>-0.16%</b>	<b>-5.91%</b>	<b>-4.16%</b>	<b>-2.37%</b>	<b>0.49%</b>

**Excess Margin**

					See Note (5)	See Note (6)	
Divided by:	Excess (deficiency) of Revenues & Gains over Expenses	11,140,275	(27,835,311)	(52,842,762)	(19,926,152)	(47,614,488)	(15,523,409)
	Total Operating Revenue	1,068,010,694	1,137,939,493	1,154,723,846	1,132,632,953	1,135,237,644	1,123,299,188
		<b>1.04%</b>	<b>-2.45%</b>	<b>-4.58%</b>	<b>-1.76%</b>	<b>-4.19%</b>	<b>-1.38%</b>

**Capital Structure:**

**LT Debt to Equity**

							See Note (A)
Divided by:	Long-term Debt (reduced by 2013 Series A Debt Securities)	156,272,229	155,637,106	169,934,522	168,325,102	162,132,682	162,064,961
	Total Net Assets	377,851,459	312,066,646	248,875,932	270,762,626	266,676,493	352,157,793
		<b>41.36%</b>	<b>49.87%</b>	<b>68.28%</b>	<b>62.17%</b>	<b>60.80%</b>	<b>46.02%</b>

**Debt/Capitalization**

Divided by:	Long-term Debt (reduced by 2013 Series A Debt Securities)	156,272,229	155,637,106	169,934,522	168,325,102	162,132,682	162,064,961
	Unrestricted Net Assets + Debt	465,811,631	396,787,364	341,874,640	355,984,071	342,827,779	440,622,054
		<b>33.55%</b>	<b>39.22%</b>	<b>49.71%</b>	<b>47.28%</b>	<b>47.29%</b>	<b>36.78%</b>

**Care New England Health System**  
**9/30/2018**

	FY14	FY15	FY16	FY17	Consolidated 09.30.2018	Obligated Group (YTD) 09.30.2018
<b><u>Debt Service Coverage</u></b>						
Excess (deficiency) of Revenues & Gains over Expe	11,140,275	(27,835,311)	(52,842,762)	(19,926,152)	(47,614,488)	(15,523,409)
Change in unrealized (gains) and losses	(1,232,951)	32,287,448	(17,542,646)	(12,022,381)	(2,038,630)	(2,038,076)
Pension Settlement	-	-	-	-	31,096,004	31,096,004
Depreciation and Amortization	34,495,543	36,581,327	39,599,310	35,324,831	30,021,896	29,648,043
Interest Expense, including swap agreement payme	6,527,788	6,838,716	6,129,434	7,960,620	8,007,167	7,975,581
Loss on disposition of assets	-	-	5,400,000	-	-	-
Loss on asset impairment	-	-	-	-	22,560,986	-
Transfer To/from Affiliates	-	-	-	-	-	-
Restructuring or merger costs (Max \$4m/year)	-	2,911,571	4,000,000	4,000,000	73,333	73,333
Loss on refinancing	509,587	-	20,235,280	-	-	-
Equals (A)	51,440,242	50,783,751	4,978,616	15,336,918	42,106,268	51,231,476
Principal Payment	8,123,289	6,383,144	9,346,905	1,894,631	5,434,416	5,434,416
Plus Interest Expense, including swap agreement payme	6,527,788	6,838,716	6,129,434	7,960,620	8,007,167	7,975,581
Equals (B)	14,651,077	13,221,860	15,476,339	9,855,251	13,441,583	13,409,997
	<b>3.5</b>	<b>3.8</b>	<b>0.3</b>	<b>1.56</b>	<b>3.13</b>	<b>3.82</b>

**Average Age of Plant**

Divided by:	Accumulated Depreciation	423,591,539	449,859,247	484,438,434	500,578,882	540,268,360	536,481,542	6254617 TPC
	Depreciation Expense (Annualized)	34,495,543	36,581,327	39,599,310	35,324,831	30,021,896	29,648,043	
		<b>12.3</b>	<b>12.3</b>	<b>12.2</b>	<b>14.2</b>	<b>18.0</b>	<b>18.1</b>	

Note: (1) The FY15 ratios include the acquisition of The Providence Center (TPC) as of January 1, 2015.

Note: (2) FY15 excludes restricted cash and equivalents and investments.

Note: (3) The FY 14 and FY15 calculations do not take into account \$10.3 million and \$4.2 million, respectively in trustee-held funds, which will be utilized for future capital purchases and ultimately improving our cash/liquidity position

Note: (4) The debt service coverage calculation is based on current year activity.

Note: (5) FY 18 Excess (deficiency) of Revenues & Gains over Expenses includes the Pension Settlement of \$31.1 million.

Note: (6) FY 18 Obligated Group Excess (deficiency) of Revenues & Gains over Expenses includes the Pension Settlement of \$31.1 M and the MH Pension Liability Transfer of \$70.1M

Note (A) FY18 Obligated Group Unrestricted Net Assets and Total Net Assets will be reduced to amounts similar to the reported Consolidated Unrestricted Net Assets and Total Net Assets, when the Memorial Hospital Cash Due to CNE obligation is forgiven.

**Care New England Health System  
Debt Compliance Tests  
For the 12 Months Ending September 30, 2018**

**2016 Series B, 2016 Series C Debt Compliance Tests:**

	<u>Consolidated</u>	<u>Obligated Grp - YTD</u>
<b>Debt Service Coverage Ratio - Effective starting September 30, 2018</b>		
Calculated Debt Service Coverage	<b>3.13</b>	3.82
Required Debt Service Coverage annually at September 30th	<b>1.10</b>	1.10
<b>Interim Compliance Status</b>	<b><u>Above</u></b>	<b><u>Above</u></b>
<b>Days Cash on Hand - as of September 30, 2018</b>		
Calculated Days Cash on Hand	<b>44.01</b>	45.03
Required Days Cash on Hand annually at September 30th	<b>30.00</b>	30.00
<b>Interim Compliance Status</b>	<b><u>Above</u></b>	<b><u>Above</u></b>



EXHIBIT A  
Debt Service Coverage Ratio

Care New England Health System  
Debt Compliance Calculations  
As of September 30, 2018

**Debt Service Coverage Ratio**

Excess of revenues and gains over expenses:

Unrealized (gain) or loss on investments

Interest expense including payments on interest rate swaps

Depreciation & amortization

Restructuring and merger costs (maximum \$4m/year)

Pension Settlement

Loss on asset impairment

Transfer to/(from) affiliates

Loss on refinancing of debt

Loss on disposition of assets/intangibles

Payments on LTD and capital leases, YTD, net of loss on refinancing  
Interest Payments, YTD

Total

Debt Service Coverage Ratio

CNE Consolidated Sep-17	CNE Consolidated Sep-18	CNE Obligated Group Sep-18
(\$19,926,151)	(\$47,614,488)	(\$15,523,409)
(\$12,022,381)	(\$2,038,630)	(\$2,038,076)
\$7,960,620	\$8,007,167	\$7,975,581
\$35,324,831	\$30,021,896	\$29,648,043
\$4,000,000	\$4,000,000	\$1,828,052
\$0	\$31,096,004	\$31,096,004
\$0	\$22,560,986	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
<u>\$15,336,919</u>	<u>\$46,032,635</u>	<u>\$52,766,165</u>

\$5,434,416  
\$8,007,167

\$13,441,583

3.42

\$5,434,416  
\$7,975,581

\$13,409,997

3.94

Excluding MHRI Restructuring	
CNE Consolidated Sep-18	CNE Obligated Group Sep-18
(\$47,614,488)	(\$15,523,409)
(\$2,038,630)	(\$2,038,076)
\$8,007,167	\$7,975,581
\$30,021,896	\$29,648,043
\$73,333	\$73,333
\$31,096,004	\$31,096,004
\$22,560,986	\$0
\$0	\$0
\$0	\$0
\$0	\$0
<u>\$42,106,268</u>	<u>\$51,231,476</u>

\$5,434,416  
\$8,007,167

\$13,441,583

3.13

\$5,434,416  
\$7,975,581

\$13,409,997

3.82

**Care New England Health System  
Debt Compliance Calculations  
As of September 30, 2018**

<b>Days Cash on Hand Inclusive of Unrestricted Board Designated</b>		<b>CNE Consolidated Sep-18</b>	<b>CNE Obligated Grp Sep-18</b>	
Cash & Cash Equivalents per Financial Statements		\$ 47,375,732	\$ 47,377,284	
Less: Cash & Cash Equivalents Restricted for Specific Purposes		\$ 13,476,543	\$ 13,010,691	
Less: Integra - Contract Performance Cash		\$ 470,422	\$ 470,422	1185-91000-10000
Less: Outstanding borrowing on Line of Credit		\$ -	\$ -	
Unrestricted Cash & Cash Equivalents, net		\$ 33,428,767	\$ 33,896,171	
Investments (Short and Long Term)		\$ -	\$ -	
Less: Investments Restricted for Specific Purposes		\$ -	\$ -	
Unrestricted Investments (Short and Long Term), net		\$ -	\$ -	
Unrestricted Board-designated investments per Financial Statements		\$ 123,418,947	\$ 123,418,947	
Less: Cash Surrender Value of Life Insurance		\$ 23,068,847	\$ 23,068,847	
Unrestricted Board-designated investments, net		\$ 100,350,100	\$ 100,350,100	
Subtotal		\$ 133,778,867	\$ 134,246,271	
Divided By:				
Operating Expenses		\$ 1,162,115,014	\$ 1,117,851,103	
Less: Depreciation and Amortization Expense		\$ 30,021,896	\$ 29,648,043	
Less: Restructuring or merger costs (Annual Maximum \$4m) excludes MH Restructuring		\$ 73,333	\$ 73,333	
Less: Loss on Disposition of Assets (intangibles)		\$ -	\$ -	
Less: Loss on Impairment of Assets		\$ 22,560,986	\$ -	
Less: Loss on Refinancing		\$ -	\$ -	
Less: Adjustments to Goodwill and Intangibles		\$ -	\$ -	
Net Operating Expenses		\$ 1,109,458,799	\$ 1,088,129,727	365
Divided By Days YTD	365 days			
Subtotal - Daily		\$ 3,039,613	\$ 2,981,177	
Days Cash on Hand		44.01 days	45.03	

Exhibit D  
Historical Indebtedness Ratio

**Care New England Health System  
Debt Compliance Calculations  
As of September 30, 2018**

Indebtedness Ratio	CNE Consolidated Sep-18
Current portion of long term debt	\$6,088,692
Long term debt, net of current portion	\$165,744,883
Total Deferred Financing Costs	\$2,441,547
Less: 2016 Series B Debt Service reserve Fund deposits	<u>\$12,142,439</u> \$162,132,682
Unrestricted Net Assets	\$180,695,097
Net Assets	\$266,676,493
Indebtedness Ratio	60.80%

**Care New England Health System**  
**Outstanding Indebtedness**  
**Unaudited**  
**As of September 30, 2018**

**Consolidated**

**Outstanding Indebtedness:**

Series 2016 B		\$134,775,000
Series 2016 C		\$21,610,000
Series 2016 B Bond Premium		\$11,708,072
Series 2016 C Bond Discount		-\$451,735
RIHEBC & Other Capital Leases	2145406.72	\$2,145,407
Seavest Note		\$1,382,353
Time Mortgage Note		\$2,903,272
The Providence Center		\$202,753
		<u>\$174,275,122</u>

Excluding Premiums and Discounts	
FY 2018	FY 2017
\$134,775,000	\$138,265,000
\$21,610,000	\$21,610,000
\$2,145,407	\$3,809,812
\$1,382,353	\$ 1,467,328
\$2,903,272	\$3,034,164
\$202,753	\$266,897
<u>\$163,018,785</u>	<u>\$168,453,201</u>

\$5,434,416

The obligated group has not incurred additional indebtedness since the issuance of the Series 2016 B and Series 2016 C bonds except the following capital leases.

**Obligated Group**

**Outstanding Indebtedness:**

Series 2016 B		\$134,775,000
Series 2016 C		\$21,610,000
Series 2016 B Bond Premium		\$11,708,072
Series 2016 C Bond Discount		-\$451,735
RIHEBC & Other Capital Leases		\$2,077,646
Seavest Note		\$1,382,353
Time Mortgage Note		\$2,903,272
The Providence Center		\$202,753
		<u>\$174,207,361</u>

Excluding Premiums and Discounts	
FY 2018	FY 2017
\$134,775,000	\$138,265,000
\$21,610,000	\$21,610,000
\$2,077,646	\$3,809,812
\$1,382,353	
\$2,903,272	\$3,034,164
\$202,753	\$266,897
<u>\$162,951,025</u>	<u>\$166,985,873</u>

**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System Excluding MHRI**  
**September-18**

**Current Month September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
1,026	1,040	(14)	(1.3%)	1,027	(1)	(0.1%)
871	858	13	1.5%	896	(25)	(2.8%)
519	663	(144)	(21.7%)	610	(91)	(14.9%)
126	129	(3)	(2.3%)	132	(6)	(4.5%)
747	753	(6)	(0.8%)	781	(34)	(4.4%)
12	8	4	50.0%	6	6	100.0%
93	62	31	50.0%	87	6	6.9%
25	28	(3)	(10.7%)	36	(11)	(30.6%)
<b>3,419</b>	<b>3,541</b>	<b>(122)</b>	<b>(3.4%)</b>	<b>3,575</b>	<b>(156)</b>	<b>(4.4%)</b>

4,106	4,617	(511)	(11.1%)	4,388	(282)	(6.4%)
2,536	2,578	(42)	(1.6%)	2,722	(186)	(6.8%)
3,983	4,153	(170)	(4.1%)	4,201	(218)	(5.2%)
831	815	16	2.0%	813	18	2.2%
1,890	1,918	(28)	(1.5%)	1,925	(35)	(1.8%)
89	69	20	29.0%	69	20	29.0%
2,212	2,197	15	0.7%	1,923	289	15.0%
477	301	176	58.5%	387	90	23.3%
<b>16,124</b>	<b>16,648</b>	<b>(524)</b>	<b>(3.1%)</b>	<b>16,428</b>	<b>(304)</b>	<b>(1.9%)</b>

4.0	4.4	(0.4)	(9.9%)	4.3	(0.3)	(6.3%)
2.9	3.0	(0.1)	(3.1%)	3.0	(0.1)	(4.2%)
7.7	6.3	1.4	22.5%	6.9	0.8	11.4%
6.6	6.3	0.3	4.4%	6.2	0.4	7.1%
2.5	2.5	(0.0)	(0.7%)	2.5	0.1	2.7%
7.4	8.6	(1.2)	(14.0%)	11.5	(4.1)	(35.5%)
23.8	35.4	(11.7)	(32.9%)	22.1	1.7	7.6%
19.1	10.8	8.3	77.5%	10.8	8.3	77.5%
<b>4.7</b>	<b>4.7</b>	<b>0.0</b>	<b>0.3%</b>	<b>4.6</b>	<b>0.1</b>	<b>2.6%</b>

<b>DISCHARGES</b>
MED SURG
OBSTETRICS
PSYCH
KENT UNIT AT BUTLER
NURSERY-NEWBORN
NURSERY-SPECIAL CARE
NICU
REHAB
<b>TOTAL</b>

<b>PATIENT DAYS</b>
MED SURG
OBSTETRICS
PSYCH
KENT UNIT AT BUTLER
NURSERY-NEWBORN
NURSERY-SPECIAL CARE
NICU
REHAB
<b>TOTAL</b>

<b>LENGTH OF STAY</b>
MED SURG
OBSTETRICS
PSYCH
KENT UNIT AT BUTLER
NURSERY-NEWBORN
NURSERY-SPECIAL CARE
NICU
REHAB
<b>TOTAL</b>

**YEAR-TO-DATE September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
12,838	12,538	300	2.4%	12,159	679	5.6%
10,154	10,002	152	1.5%	10,086	68	0.7%
6,875	8,066	(1,191)	(14.8%)	7,466	(591)	(7.9%)
1,499	1,567	(68)	(4.3%)	1,560	(61)	(3.9%)
8,768	8,753	15	0.2%	8,802	(34)	(0.4%)
67	60	7	11.7%	59	8	13.6%
1,095	1,036	59	5.7%	1,063	32	3.0%
403	338	65	19.2%	356	47	13.2%
<b>41,699</b>	<b>42,360</b>	<b>(661)</b>	<b>(1.6%)</b>	<b>41,551</b>	<b>148</b>	<b>0.4%</b>

51,424	56,186	(4,762)	(8.5%)	53,489	(2,065)	(3.9%)
30,430	30,020	410	1.4%	30,252	178	0.6%
48,428	50,532	(2,104)	(4.2%)	50,863	(2,435)	(4.8%)
10,178	9,944	234	2.4%	9,960	218	2.2%
22,347	22,349	(2)	(0.0%)	22,292	55	0.2%
652	631	21	3.3%	650	2	0.3%
23,920	23,411	509	2.2%	23,033	887	3.9%
5,014	3,845	1,169	30.4%	4,073	941	23.1%
<b>192,393</b>	<b>196,918</b>	<b>(4,525)</b>	<b>(2.3%)</b>	<b>194,612</b>	<b>(2,219)</b>	<b>(1.1%)</b>

4.0	4.5	(0.5)	(10.6%)	4.4	(0.4)	(8.9%)
3.0	3.0	(0.0)	(0.2%)	3.0	(0.0)	(0.1%)
7.0	6.3	0.8	12.4%	6.8	0.2	3.4%
6.8	6.3	0.4	7.0%	6.4	0.4	6.3%
2.5	2.6	(0.0)	(0.2%)	2.5	0.0	0.6%
9.7	10.5	(0.8)	(7.5%)	11.0	(1.3)	(11.7%)
21.8	22.6	(0.8)	(3.3%)	21.7	0.2	0.8%
12.4	11.4	1.1	9.4%	11.4	1.0	8.7%
<b>4.6</b>	<b>4.6</b>	<b>(0.0)</b>	<b>(0.7%)</b>	<b>4.7</b>	<b>(0.1)</b>	<b>(1.5%)</b>

**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System Excluding MHRI**  
**September-18**

**Current Month September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
136.9	153.9	(17.0)	(11.1%)	146.3	(9.4)	(6.4%)
84.5	85.9	(1.4)	(1.6%)	90.7	(6.2)	(6.8%)
132.8	138.4	(5.7)	(4.1%)	140.0	(7.3)	(5.2%)
27.7	27.2	0.5	2.0%	27.1	0.6	2.2%
63.0	63.9	(0.9)	(1.5%)	64.2	(1.2)	(1.8%)
3.0	2.3	0.7	29.0%	2.3	0.7	29.0%
73.7	73.2	0.5	0.7%	64.1	9.6	15.0%
15.9	10.0	5.9	58.5%	12.9	3.0	23.3%
<b>537.5</b>	<b>554.9</b>	<b>(17.5)</b>	<b>(3.1%)</b>	<b>547.6</b>	<b>(10.1)</b>	<b>(1.9%)</b>

**AVERAGE DAILY CENSUS**

MED SURG
OBSTETRICS
PSYCH
KENT UNIT AT BUTLER
NURSERY-NEWBORN
NURSERY-SPECIAL CARE
NICU
REHAB
<b>TOTAL</b>

**YEAR-TO-DATE September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
140.9	153.9	(13.0)	(8.5%)	146.5	(5.7)	(3.9%)
83.4	82.2	1.1	1.4%	82.9	0.5	0.6%
132.7	138.4	(5.8)	(4.2%)	139.4	(6.7)	(4.8%)
27.9	27.2	0.6	2.4%	27.3	0.6	2.2%
61.2	61.2	(0.0)	(0.0%)	61.1	0.2	0.2%
1.8	1.7	0.1	3.3%	1.8	0.0	0.3%
65.5	64.1	1.4	2.2%	63.1	2.4	3.9%
13.7	10.5	3.2	30.4%	11.2	2.6	23.1%
<b>527.1</b>	<b>539.5</b>	<b>(12.4)</b>	<b>(2.3%)</b>	<b>533.2</b>	<b>(6.1)</b>	<b>(1.1%)</b>

**OBSERVATION**

16,730	17,612	(882)	(5.0%)	16,791	(61)	(0.4%)
676	663	13	2.0%	598	78	13.0%
1,682	1,832	(150)	(8.2%)	1,873	(191)	(10.2%)
806	787	19	2.4%	831	(25)	(3.0%)

HOURS	196,629	202,179	(5,550)	(2.7%)	201,175	(4,546)	(2.3%)
CASES	7,917	7,702	215	2.8%	7,516	401	5.3%

**PARTIAL HOSPITAL DAYS**

23,561	23,332	229	1.0%	23,268	293	1.3%
9,466	9,346	120	1.3%	9,449	17	0.2%

**DELIVERIES**



**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System Excluding MHRI**  
**September-18**

**Current Month September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
1,421	1,447	(26)	(1.8%)	1,369	52	3.8%
6,843	6,879	(36)	(0.5%)	6,870	(27)	(0.4%)
<b>8,264</b>	<b>8,326</b>	<b>(62)</b>	<b>(0.7%)</b>	<b>8,239</b>	<b>25</b>	<b>0.3%</b>

290	329	(39)	(11.9%)	278	12	4.3%
1,112	1,205	(93)	(7.7%)	1,094	18	1.6%
<b>1,402</b>	<b>1,534</b>	<b>(132)</b>	<b>(8.6%)</b>	<b>1,372</b>	<b>30</b>	<b>2.2%</b>

71	58	14	23.5%	75	(4)	(5.3%)
484	498	(14)	(2.8%)	492	(8)	(1.6%)
<b>555</b>	<b>556</b>	<b>(1)</b>	<b>(0.1%)</b>	<b>567</b>	<b>(12)</b>	<b>(2.1%)</b>

60,944	58,855	2,089	3.5%	61,875	(931)	(1.5%)
142,919	144,589	(1,670)	(1.2%)	139,607	3,312	2.4%
<b>203,863</b>	<b>203,444</b>	<b>419</b>	<b>0.2%</b>	<b>201,482</b>	<b>2,381</b>	<b>1.2%</b>

5,443	5,697	(254)	(4.5%)	5,360	83	1.5%
6,379	6,613	(234)	(3.5%)	7,113	(734)	(10.3%)
<b>11,822</b>	<b>12,310</b>	<b>(488)</b>	<b>(4.0%)</b>	<b>12,473</b>	<b>(651)</b>	<b>(5.2%)</b>

**YEAR-TO-DATE September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
17,229	17,085	144	0.8%	16,215	1,014	6.3%
81,830	83,718	(1,888)	(2.3%)	81,342	488	0.6%
<b>99,059</b>	<b>100,803</b>	<b>(1,744)</b>	<b>(1.7%)</b>	<b>97,557</b>	<b>1,502</b>	<b>1.5%</b>

**EMERGENCY ROOM/TRIAGE**

Inpatient

Outpatient

**Total**

**OPERATING ROOM**

Inpatient

Outpatient

**Total**

**ENDOSCOPY**

Inpatient

Outpatient

**Total**

**LABORATORY**

Inpatient

Outpatient

**Total**

**BLOOD BANK**

Inpatient

Outpatient

**Total**

3,402	3,643	(241)	(6.6%)	3,291	111	3.4%
13,924	14,038	(114)	(0.8%)	12,974	950	7.3%
<b>17,326</b>	<b>17,681</b>	<b>(355)</b>	<b>(2.0%)</b>	<b>16,265</b>	<b>1,061</b>	<b>6.5%</b>

771	690	81	11.7%	833	(62)	(7.4%)
5,989	5,777	212	3.7%	6,385	(396)	(6.2%)
<b>6,760</b>	<b>6,467</b>	<b>293</b>	<b>4.5%</b>	<b>7,218</b>	<b>(458)</b>	<b>(6.3%)</b>

729,549	700,904	28,645	4.1%	684,696	44,853	6.6%
1,766,191	1,651,670	114,521	6.9%	1,627,934	138,257	8.5%
<b>2,495,740</b>	<b>2,352,574</b>	<b>143,166</b>	<b>6.1%</b>	<b>2,312,630</b>	<b>183,110</b>	<b>7.9%</b>

63,912	65,632	(1,720)	(2.6%)	64,785	(873)	(1.3%)
82,075	83,487	(1,412)	(1.7%)	83,603	(1,528)	(1.8%)
<b>145,987</b>	<b>149,119</b>	<b>(3,132)</b>	<b>(2.1%)</b>	<b>148,388</b>	<b>(2,401)</b>	<b>(1.6%)</b>

**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System Excluding MHRI**  
**September-18**

**Current Month September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
2,252	2,350	(98)	(4.2%)	2,261	(9)	(0.4%)
3,558	4,430	(872)	(19.7%)	3,355	203	6.1%
<b>5,810</b>	<b>6,780</b>	<b>(970)</b>	<b>(14.3%)</b>	<b>5,616</b>	<b>194</b>	<b>3.5%</b>

91	129	(38)	(29.5%)	133	(42)	(31.6%)
419	435	(16)	(3.7%)	388	31	8.0%
<b>510</b>	<b>564</b>	<b>(54)</b>	<b>(9.6%)</b>	<b>521</b>	<b>(11)</b>	<b>(2.1%)</b>

877	785	92	11.7%	800	77	9.6%
2,441	2,097	344	16.4%	2,085	356	17.1%
<b>3,318</b>	<b>2,882</b>	<b>436</b>	<b>15.1%</b>	<b>2,885</b>	<b>433</b>	<b>15.0%</b>

468	522	(54)	(10.3%)	549	(81)	(14.8%)
2,981	3,582	(601)	(16.8%)	3,426	(445)	(13.0%)
<b>3,449</b>	<b>4,104</b>	<b>(655)</b>	<b>(16.0%)</b>	<b>3,975</b>	<b>(526)</b>	<b>(13.2%)</b>

38	55	(17)	(30.9%)	47	(9)	(19.1%)
181	185	(4)	(2.2%)	173	8	4.6%
<b>219</b>	<b>240</b>	<b>(21)</b>	<b>(8.8%)</b>	<b>220</b>	<b>(1)</b>	<b>(0.5%)</b>

158	167	(9)	(5.4%)	157	1	0.6%
156	133	23	17.3%	150	6	4.0%
<b>314</b>	<b>300</b>	<b>14</b>	<b>4.7%</b>	<b>307</b>	<b>7</b>	<b>2.3%</b>

2	(1)	3	(300.0%)	-	2	0.0%
3,083	2,237	846	37.8%	3,037	46	1.5%
<b>3,085</b>	<b>2,236</b>	<b>849</b>	<b>38.0%</b>	<b>3,037</b>	<b>48</b>	<b>1.6%</b>

**DIAGNOSTIC RADIOLOGY**

Inpatient  
 Outpatient  
**Total**

**MRI**

Inpatient  
 Outpatient  
**Total**

**CT SCAN**

Inpatient  
 Outpatient  
**Total**

**ULTRASOUND**

Inpatient  
 Outpatient  
**Total**

**NUCLEAR MEDICINE**

Inpatient  
 Outpatient  
**Total**

**SPECIAL PROCEDURES**

Inpatient  
 Outpatient  
**Total**

**MAMMOGRAPHY**

Inpatient  
 Outpatient  
**Total**

**YEAR-TO-DATE September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
27,772	28,072	(300)	(1.1%)	26,740	1,032	3.9%
44,991	48,032	(3,041)	(6.3%)	43,390	1,601	3.7%
<b>72,763</b>	<b>76,104</b>	<b>(3,341)</b>	<b>(4.4%)</b>	<b>70,130</b>	<b>2,633</b>	<b>3.8%</b>

1,311	1,569	(258)	(16.4%)	1,521	(210)	(13.8%)
4,942	4,908	34	0.7%	4,829	113	2.3%
<b>6,253</b>	<b>6,477</b>	<b>(224)</b>	<b>(3.5%)</b>	<b>6,350</b>	<b>(97)</b>	<b>(1.5%)</b>

10,331	9,505	826	8.7%	9,014	1,317	14.6%
27,177	24,763	2,414	9.7%	24,295	2,882	11.9%
<b>37,508</b>	<b>34,268</b>	<b>3,240</b>	<b>9.5%</b>	<b>33,309</b>	<b>4,199</b>	<b>12.6%</b>

5,853	6,129	(276)	(4.5%)	5,906	(53)	(0.9%)
40,526	42,364	(1,838)	(4.3%)	41,916	(1,390)	(3.3%)
<b>46,379</b>	<b>48,493</b>	<b>(2,114)</b>	<b>(4.4%)</b>	<b>47,822</b>	<b>(1,443)</b>	<b>(3.0%)</b>

530	661	(131)	(19.8%)	567	(37)	(6.5%)
2,112	2,115	(3)	(0.1%)	2,000	112	5.6%
<b>2,642</b>	<b>2,776</b>	<b>(134)</b>	<b>(4.8%)</b>	<b>2,567</b>	<b>75</b>	<b>2.9%</b>

2,172	2,042	130	6.4%	1,846	326	17.7%
1,704	1,612	92	5.7%	1,625	79	4.9%
<b>3,876</b>	<b>3,654</b>	<b>222</b>	<b>6.1%</b>	<b>3,471</b>	<b>405</b>	<b>11.7%</b>

12	21	(9)	(42.9%)	10	2	20.0%
37,418	28,944	8,474	29.3%	31,243	6,175	19.8%
<b>37,430</b>	<b>28,965</b>	<b>8,465</b>	<b>29.2%</b>	<b>31,253</b>	<b>6,177</b>	<b>19.8%</b>

**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System Excluding MHRI**  
**September-18**

**Current Month September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
-	-	0	0.0%	1	(1)	(100.0%)
1,850	1,918	(68)	(3.5%)	1,372	478	34.8%
<b>1,850</b>	<b>1,918</b>	<b>(68)</b>	<b>(3.5%)</b>	<b>1,373</b>	<b>477</b>	<b>34.7%</b>

105	48	57	118.8%	107	(2)	(1.9%)
112	96	16	16.7%	94	18	19.1%
<b>217</b>	<b>144</b>	<b>73</b>	<b>50.7%</b>	<b>201</b>	<b>16</b>	<b>8.0%</b>

2	9	(7)	(77.8%)	5	(3)	(60.0%)
270	349	(79)	(22.6%)	206	64	31.1%
<b>272</b>	<b>358</b>	<b>(86)</b>	<b>(24.0%)</b>	<b>211</b>	<b>61</b>	<b>28.9%</b>

1,723	1,753	(30)	(1.7%)	1,740	(17)	(1.0%)
2,840	2,930	(90)	(3.1%)	2,866	(26)	(0.9%)
<b>4,563</b>	<b>4,683</b>	<b>(120)</b>	<b>(2.6%)</b>	<b>4,606</b>	<b>(43)</b>	<b>(0.9%)</b>

32	42	(10)	(23.8%)	44	(12)	(27.3%)
33	31	2	6.5%	28	5	17.9%
<b>65</b>	<b>73</b>	<b>(8)</b>	<b>(11.0%)</b>	<b>72</b>	<b>(7)</b>	<b>(9.7%)</b>

357	352	5	1.4%	350	7	2.0%
454	428	26	6.1%	399	55	13.8%
<b>811</b>	<b>780</b>	<b>31</b>	<b>4.0%</b>	<b>749</b>	<b>62</b>	<b>8.3%</b>

**YEAR-TO-DATE September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
2	-	2	100.0%	5	(4)	(80.0%)
16,418	16,789	(371)	(2.2%)	16,000	418	2.6%
<b>16,420</b>	<b>16,789</b>	<b>(369)</b>	<b>(2.2%)</b>	<b>16,005</b>	<b>415</b>	<b>2.6%</b>

**BREAST HEALTH CTR.**

Inpatient

Outpatient

**Total**

**CARDIAC CATH**

Inpatient

Outpatient

**Total**

**VASCULAR LAB**

Inpatient

Outpatient

**Total**

**EKG**

Inpatient

Outpatient

**Total**

**EEG**

Inpatient

Outpatient

**Total**

**ECHOCARDIOLOGY**

Inpatient

Outpatient

**Total**

**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System Excluding MHRI**  
**September-18**

**Current Month September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
3,161	2,813	348	12.4%	2,740	421	15.4%
4,141	3,647	494	13.5%	2,082	2,059	98.9%
<b>7,302</b>	<b>6,460</b>	<b>842</b>	<b>13.0%</b>	<b>4,822</b>	<b>2,480</b>	<b>51.4%</b>

1,911	1,637	274	16.7%	1,606	305	19.0%
2,020	728	1,292	177.5%	640	1,380	215.6%
<b>3,931</b>	<b>2,365</b>	<b>1,566</b>	<b>66.2%</b>	<b>2,246</b>	<b>1,685</b>	<b>75.0%</b>

411	465	(54)	(11.6%)	401	10	2.5%
539	314	225	71.7%	243	296	121.8%
<b>950</b>	<b>779</b>	<b>171</b>	<b>22.0%</b>	<b>644</b>	<b>306</b>	<b>47.5%</b>

-	-	0	0.0%	-	0	0.0%
81	83	(2)	(2.4%)	76	5	6.6%
<b>81</b>	<b>83</b>	<b>(2)</b>	<b>(2.4%)</b>	<b>76</b>	<b>5</b>	<b>6.6%</b>

5	1	4	400.0%	4	1	25.0%
337	567	(230)	(40.6%)	598	(261)	(43.6%)
<b>342</b>	<b>568</b>	<b>(226)</b>	<b>(39.8%)</b>	<b>602</b>	<b>(260)</b>	<b>(43.2%)</b>

(10)	-	(10)	100.0%	4	(14)	(350.0%)
44	63	(19)	(30.2%)	32	12	37.5%
<b>34</b>	<b>63</b>	<b>(29)</b>	<b>(46.0%)</b>	<b>36</b>	<b>(2)</b>	<b>(5.6%)</b>

**PHYSICAL THERAPY**

Inpatient	
Outpatient	
<b>Total</b>	

**OCCUPATIONAL THERAPY**

Inpatient	
Outpatient	
<b>Total</b>	

**SPEECH THERAPY**

Inpatient	
Outpatient	
<b>Total</b>	

**SLEEP STUDIES**

Inpatient	
Outpatient	
<b>Total</b>	

**WOUND CARE**

Inpatient	
Outpatient	
<b>Total</b>	

**HYPERBARIC**

Inpatient	
Outpatient	
<b>Total</b>	

**YEAR-TO-DATE September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
35,857	34,125	1,732	5.1%	32,303	3,554	11.0%
42,675	34,325	8,350	24.3%	30,222	12,453	41.2%
<b>78,532</b>	<b>68,450</b>	<b>10,082</b>	<b>14.7%</b>	<b>62,525</b>	<b>16,007</b>	<b>25.6%</b>

20,856	19,880	976	4.9%	18,678	2,178	11.7%
14,613	8,297	6,316	76.1%	7,194	7,419	103.1%
<b>35,469</b>	<b>28,177</b>	<b>7,292</b>	<b>25.9%</b>	<b>25,872</b>	<b>9,597</b>	<b>37.1%</b>

5,073	5,651	(578)	(10.2%)	5,077	(4)	(0.1%)
5,866	3,496	2,370	67.8%	3,027	2,839	93.8%
<b>10,939</b>	<b>9,147</b>	<b>1,792</b>	<b>19.6%</b>	<b>8,104</b>	<b>2,835</b>	<b>35.0%</b>

1	-	1	100.0%	-	1	100.0%
952	972	(20)	(2.1%)	936	16	1.7%
<b>953</b>	<b>972</b>	<b>(19)</b>	<b>(2.0%)</b>	<b>936</b>	<b>17</b>	<b>1.8%</b>

44	34	10	29.4%	74	(30)	(40.5%)
5,116	6,894	(1,778)	(25.8%)	6,433	(1,317)	(20.5%)
<b>5,160</b>	<b>6,928</b>	<b>(1,768)</b>	<b>(25.5%)</b>	<b>6,507</b>	<b>(1,347)</b>	<b>(20.7%)</b>

38	-	38	100.0%	57	(19)	(33.3%)
539	749	(210)	(28.0%)	402	137	34.1%
<b>577</b>	<b>749</b>	<b>(172)</b>	<b>(23.0%)</b>	<b>459</b>	<b>118</b>	<b>25.7%</b>



**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System Excluding MHRI**  
**September-18**

**Current Month September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
34	31	3	9.7%	24	10	41.7%
2,685	1,515	1,170	77.2%	1,457	1,228	84.3%
<b>2,719</b>	<b>1,546</b>	<b>1,173</b>	<b>75.9%</b>	<b>1,481</b>	<b>1,238</b>	<b>83.6%</b>

132	56	76	135.7%	127	5	3.9%
<b>132</b>	<b>56</b>	<b>76</b>	<b>135.7%</b>	<b>127</b>	<b>5</b>	<b>3.9%</b>

6	4	2	50.0%	10	(4)	(40.0%)
1,653	1,756	(103)	(5.9%)	1,943	(290)	(14.9%)
<b>1,659</b>	<b>1,760</b>	<b>(101)</b>	<b>(5.7%)</b>	<b>1,953</b>	<b>(294)</b>	<b>(15.1%)</b>

522	656	(134)	(20.4%)	601	(79)	(13.1%)
121	198	(77)	(38.9%)	436	(315)	(72.2%)
<b>643</b>	<b>854</b>	<b>(211)</b>	<b>(24.7%)</b>	<b>1,037</b>	<b>(394)</b>	<b>(38.0%)</b>

39	70	(31)	(44.3%)	106	(67)	(63.2%)
82	100	(18)	(18.0%)	91	(9)	(9.9%)
<b>121</b>	<b>170</b>	<b>(49)</b>	<b>(28.8%)</b>	<b>197</b>	<b>(76)</b>	<b>(38.6%)</b>

**INFUSION THERAPY**

Inpatient  
 Outpatient  
**Total**

**IVF**

Outpatient  
**Total**

**WIH OGCC**

Inpatient  
 Outpatient  
**Total**

**PATIENT ASSESSMENT**

Inpatient  
 Outpatient  
**Total**

**ELECTRO CONVULSIVE TREATMENT**

Inpatient  
 Outpatient  
**Total**

**YEAR-TO-DATE September**

ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
336	335	1	0.3%	352	(16)	(4.5%)
34,687	18,480	16,207	87.7%	17,401	17,286	99.3%
<b>35,023</b>	<b>18,815</b>	<b>16,208</b>	<b>86.1%</b>	<b>17,753</b>	<b>17,270</b>	<b>97.3%</b>

1,702	1,124	578	51.4%	1,260	442	35.1%
<b>1,702</b>	<b>1,124</b>	<b>578</b>	<b>51.4%</b>	<b>1,260</b>	<b>442</b>	<b>35.1%</b>

75	56	19	33.9%	61	14	23.0%
21,000	21,213	(213)	(1.0%)	21,221	(221)	(1.0%)
<b>21,075</b>	<b>21,269</b>	<b>(194)</b>	<b>(0.9%)</b>	<b>21,282</b>	<b>(207)</b>	<b>(1.0%)</b>

6,855	7,872	(1,017)	(12.9%)	7,457	(602)	(8.1%)
2,748	2,376	372	15.7%	2,352	396	16.8%
<b>9,603</b>	<b>10,248</b>	<b>(645)</b>	<b>(6.3%)</b>	<b>9,809</b>	<b>(206)</b>	<b>(2.1%)</b>

925	840	85	10.1%	862	63	7.3%
1,186	1,200	(14)	(1.2%)	917	269	29.3%
<b>2,111</b>	<b>2,040</b>	<b>71</b>	<b>3.5%</b>	<b>1,779</b>	<b>332</b>	<b>18.7%</b>

**Births by Hospital**  
**FY 2016 - FY 2018 (September)**

**Year-to-date Totals vs. Prior Year Total**

Hospital	FY 2016	% of Total	FY 2017	% of Total	FY 2018 (August)	% of Total
Women & Infants	9,034	78.6%	8,881	79.2%	8,819	79.1%
Kent	832	7.2%	771	6.9%	797	7.2%
Memorial*	328	2.9%	0	0.0%	-	0.0%
<b>CNE Subtotal</b>	<b>10,194</b>	<b>88.6%</b>	<b>9,652</b>	<b>86.1%</b>	<b>9,616</b>	<b>86.3%</b>
Newport	443	3.9%	450	4.0%	496	4.5%
South County	649	5.6%	703	6.3%	664	6.0%
Landmark	214	1.9%	404	3.6%	368	3.3%
<b>All Other Subtotal</b>	<b>1,306</b>	<b>11.4%</b>	<b>1,557</b>	<b>13.9%</b>	<b>1,528</b>	<b>13.7%</b>
<b>TOTAL</b>	<b>11,500</b>	<b>100.0%</b>	<b>11,209</b>	<b>100.0%</b>	<b>11,144</b>	<b>100.0%</b>

**Volume Change: Year-to-date Total (September) vs. Same time period prior years**

				FY17 -18 Change		FY 16 - 18 Change	
Hospital	FY 2016 (September)	FY 2017 (September)	FY 2018 (September)	# Diff	% Diff	# Diff	% Diff
Women & Infants	9,034	8,881	8,819	(62)	-0.7%	(215)	-2.4%
Kent	832	771	797	26	3.4%	(35)	-4.2%
Memorial*	328	-	-	-	-	-	-
<b>CNE Subtotal</b>	<b>10,194</b>	<b>9,652</b>	<b>9,616</b>	<b>(36)</b>	<b>-0.4%</b>	<b>(578)</b>	<b>-5.7%</b>
Newport	443	450	496	46	10.2%	53	12.0%
South County	649	703	664	(39)	-5.5%	15	2.3%
Landmark	214	404	368	(36)	-8.9%	154	72.0%
<b>All Other Subtotal</b>	<b>1,306</b>	<b>1,557</b>	<b>1,528</b>	<b>(29)</b>	<b>-1.9%</b>	<b>222</b>	<b>17.0%</b>
<b>TOTAL</b>	<b>11,500</b>	<b>11,209</b>	<b>11,144</b>	<b>(65)</b>	<b>-0.6%</b>	<b>(356)</b>	<b>-3.1%</b>

\*Memorial data through 7/30/16 (closure of OB unit on 8/1/16)



Care New England  
Capital Report as of September 30, 2018

Budget Category/Project	Project Year	Operating Unit	FY18 Approved Capital Budget	FY18 Capital Cash Payments	YTD Actual Invoices & Open Purchase Orders	Approved Capital Requests	Remaining Balance	Project Status
<b>Information Technology</b>								
Epic Behavioral Health	FY17	CNE		616,151	687,848	687,848	(0)	Closed
VDI Expansion	FY17	CNE		505,063	505,063	505,063	-	Closed
Cisco Core Switches	FY18	CNE		564,821	590,296	590,926	630	Open
TPC Lawson/Kronos/ICON/KH	FY18	CNE			138,655	622,621	483,966	Open
Cisco Switch Refresh	FY18	CNE		577,469	577,469	577,469	-	Closed
Aruba Wireless	FY18	CNE		510,082	565,282	565,282	-	Open
Provation WI	FY18	CNE		183,326	206,582	217,346	10,764	Open
Provation KH	FY18	CNE			19,301	28,081	8,780	Open
Cerner/Epic EPCS	FY18	CNE			115,560	537,293	421,733	Open
VDI Expansion Phase II	FY18	CNE		267,436	278,936	279,236	300	Open
Server for SCCM	FY18	CNE			8,596	8,596	-	Open
Virtualization Enterprise	FY18	CNE			-	154,268	154,268	Open
Cisco Network Switch Refresh	FY18	CNE			-	275,882	275,882	Open
Natus Sleep Lab Upgrade	FY18	KENT			52,993	152,708	99,715	Open
Cerner Clinicals	FY15	MHRI		948,871	948,871	948,871	(0)	Closed
Fuji to McKesson PACS	FY16	MHRI		35,995	42,345	42,345	0	Closed
Aztec Printer	FY18	WIH			4,275	4,425	150	Open
I/S servers/routers (for Orms St. move)		TPC			47,000	47,000	-	Open
FY8 RICOH copier		TPC		3,856	3,856	3,856	-	Open
Closed IT - Under 500K		All		1,195,676	1,223,016	1,223,016	-	Closed
<b>Total Information Technology</b>			<b>7,000,000</b>	<b>5,408,747</b>	<b>6,015,945</b>	<b>7,472,132</b>	<b>1,456,188</b>	
<b>Facilities</b>								
Safety & Ligature	FY17	BUTLER		228,700	338,847	478,000	139,153	Open
Flooring & Carpet	FY18	BUTLER		46,590	145,460	150,000	4,540	Open
Emergency Fire Exit Door	FY18	BUTLER			3,295	3,295	-	Open
Exterior Painting	FY18	BUTLER			-	16,705	16,705	Open
KH Ortho&Cardiolog	FY18	CH		495,535	504,862	678,414	173,552	Open
Lab Consol-Phase3	FY16	CNE			118,451	(0)	(118,451)	Open
Storage Units	FY18	KENT			-	37,507	37,507	Open
Pharm WI Infus@KH	FY18	KENT		696,231	970,023	1,085,428	115,405	Open
Ortho Suite Renov	FY18	KENT		327,893	329,571	2,315,100	1,985,529	Open
Ortho Office X-Ray	FY18	KENT		180,226	268,192	287,586	19,394	Open
Blackstone Orthopedics	FY18	KENT		193,426	213,576	910,000	696,424	Open
HVAC Unit	FY18	KENT			68,000	68,000	-	Open

Care New England  
Capital Report as of September 30, 2018

Budget Category/Project	Project Year	Operating Unit	FY18 Approved Capital Budget	FY18 Capital Cash Payments	YTD Actual Invoices & Open Purchase Orders	Approved Capital Requests	Remaining Balance	Project Status
Dr.Lucarelli CNE Transition	FY18	KENT			27,229	200,000	172,771	Open
Digital Radiography	FY18	KENT		612,183	612,183	652,183	40,000	Open
New Ultrasound Room	FY18	KENT			-	15,000	15,000	Open
Steam Generator Tank	FY18	KENT			16,965	16,965	-	Open
Ice Machine	FY18	KENT			5,266	5,266	-	Open
OR-Radiographic Urology	FY18	KENT			271,827	288,352	16,525	Open
Hugs Infant Security System	FY18	KENT			7,705	7,705	-	Open
Main & North Lobby Painting	FY18	KENT			17,265	34,090	16,825	Open
CCTV & Phone Systems	FY18	KENT			-	8,525	8,525	Open
CPD Upgrade	FY17	WIH		79,154	79,154	79,154	-	Closed
LDR Renovations	FY18	WIH		288,995	338,860	400,000	61,140	Open
Fluoroscopy Upgrade	FY18	WIH		5,760	621,318	721,405	100,087	Open
Security Cameras-Pharmacy	FY18	WIH			-	27,607	27,607	Open
PDC Ultrasound Room	FY18	WIH			460	42,500	42,040	Open
Security Camera & DVE Recorder	FY18	WIH			-	7,929	7,929	Open
FY17 Hope St Adolescent Programs Expansion		TPC			60,000	60,000	-	Open
FY17 Pawtucket Health Home relocation		TPC			50,000	50,000	-	Closed
FY17 IS/Training office renovation		TPC			26,000	26,000	-	Open
FY17 Orms Street buildout		TPC			139,500	139,500	-	Closed
FY17 LHI Project at 280 for Youth Recovery Prg (APG)		TPC		11,220	8,920	8,920	-	Closed
FY17 3rd FL 530NM Buildout Imprvmnts		TPC		7,253	9,553	9,553	-	Closed
FY18 Panic Bar TPC Hope St.		TPC		9,850	9,850	9,850	-	Closed
Yrly-Failures & Brkdwns-Elec, Plumb, HVAC, Bldg & FY18 Prkg Deck		TPC		10,980	100,000	100,000	-	Open
Elec, HVAC & Plumb, Bldg Sys-Upgrades & Replace, Intercom Syst		TPC		79,060	100,000	100,000	-	Closed
Vehicle Replacement (FY18)		TPC			75,000	75,000	-	Open
FY18 Emergency 530 North Main Street Parking Deck Repairs		TPC		902,690	2,482,260	2,482,260	-	Open
Closed Facilities - Under \$500K		All		1,722,791	1,740,231	1,740,231	-	Closed
<b>Total Facilities</b>			<b>13,645,415</b>	<b>5,898,536</b>	<b>9,759,820</b>	<b>13,338,029</b>	<b>3,578,208</b>	
<b>Equipment</b>								
Pulmonary Function Testing System	FY18	KENT		22,395	22,395	44,789	22,395	Open
Centrifuges	FY18	KENT			5,300	5,300	-	Open
GE Logiq E10 Ultrasound	FY18	KENT			491,649	491,649	0	Open
V60 BiPAP Ventilators	FY18	KENT			-	50,604	50,604	Open
Radiolucent Flat Top	FY18	KENT			-	12,800	12,800	Open
VasScan Table	FY18	KENT			-	6,750	6,750	Open

Care New England  
Capital Report as of September 30, 2018

Budget Category/Project	Project Year	Operating Unit	FY18 Approved Capital Budget	FY18 Capital Cash Payments	YTD Actual Invoices & Open Purchase Orders	Approved Capital Requests	Remaining Balance	Project Status
Stretcher FY2014	FY18	KENT			-	5,552	5,552	Open
Surgical Video Tower	FY17	WIH		667,945	667,945	667,945	-	Closed
GE Volusion Ultrasound	FY18	WIH		1,256,260	1,256,260	1,256,260	-	Closed
GE Logiq E10 Ultrasound	FY18	WIH		1,632,778	1,632,778	1,632,778	-	Closed
Anesthesia Machine	FY18	WIH		756,736	767,936	769,297	1,361	Open
Cyro Tanks & Monitor	FY18	WIH			55,545	60,545	5,000	Open
Digital Radiography	FY18	WIH		191,039	191,039	211,039	20,000	Open
Exam Table	FY18	WIH			-	4,630	4,630	Open
Birthing Bed	FY18	WIH			7,885	7,885	-	Open
Porter Nitronox	FY18	WIH			-	11,200	11,200	Open
Stretcher-Chairs	FY18	WIH			-	18,715	18,715	Open
EKG Machines	FY18	WIH			23,506	23,506	-	Open
Lab Refrigerator	FY18	WIH			8,385	8,385	-	Open
Closed Equipment/Other - Under \$500K		All		908,461	936,957	936,957	-	Closed
<b>Total Equipment</b>			<b>5,354,585</b>	<b>5,435,614</b>	<b>6,067,580</b>	<b>6,226,586</b>	<b>159,006</b>	
<b>Strategic Initiatives</b>								
Closed Strategic Initiatives - Under \$500K		All		233,257	233,257	233,257	-	Closed
<b>Total Strategic Initiatives</b>			<b>-</b>	<b>233,257</b>	<b>233,257</b>	<b>233,257</b>	<b>-</b>	
<b>Subtotal</b>			<b>26,000,000</b>	<b>16,976,154</b>	<b>22,076,601</b>	<b>27,270,003</b>	<b>5,193,402</b>	
<b>Other Capital</b>								
Capital Purchases Funded by Grants/Academic Plan		All			1,106,892	1,106,892		
Capital Purchases Funded by Donations		All			1,720,902	1,720,902		
Non-Cash Donations		All			5,470	5,470		
Fixed Asset Holding		All			99,100	99,100		
Fixed Asset Deferred		All			(948,872)	(948,872)		
					<b>1,983,492</b>	<b>1,983,492</b>		
<b>Total</b>					<b>24,060,093</b>	<b>29,253,495</b>		

Capital is measured on a cash to budget basis